# Electronic Check Processing and Remote Deposit System

## *User Guide*

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# 1. EXPRESSCHECK21 SECURE PAYMENT SYSTEMS ARC / CHECK 21 SOLUTION

Our Accounts Receivable Conversion (ARC) / Check 21 solution in conjunction with our superior Image Replacement Document (IRD) technology, processes and deposits any type of paper check received via U. S. Mail or at payment locations, deposited as electronic transactions, all through a single point of entry system. Our ARC system converts paper checks into electronic transactions, and deposits the checks as electronic data – eliminating a trip to the bank.

**Benefits:**

- Easy-to-use solution, requiring a check scanner and internet access
- Speed up your check processing
- 24-48 hour funds availability*
- No more waiting on line at the Bank
- Faster advice of returned items, in 3-5 days vs. 7-10-14 days in paper form
- Reduce banking fees on returned items

**Features:**

- Retain customer specific data so that it does not have to be entered repeatedly
- Create an export data file that can be uploaded into your accounts receivable program
- 24/7 access to check images and data
- Ability to consolidate banking activity for multiple locations to single account

## Digital Check Scanners



**Digital Check TS-350/400ES**

The **Digital Check TS-350/400ES** is a high volume scanner that accepts 100 checks at a time, processing 60-80 checks per minute, + or - 3,000 per day, and images both sides of checks in one pass.



**Digital Check TS230-65**

The **Digital Check TS230-65** is a mid volume scanner that accepts 25 checks at a time, processing up to 65 items per minute, + or – 500 per day, and images both sides of the checks in one pass.



**Magtek Imager**

The **Magtek Imager** is a low volume scanner that accepts 1 check at a time, processing + or – 30 checks per day, and images both sides of the checks in two passes.

*24 hour funding available for a nominal fee.

# 2. ABOUT SECURE PAYMENT SYSTEMS

## 2.1 THE COMPANY

Secure Payment Systems (SPS) is a transaction processing and risk management company that specializes in the needs of small and midsize businesses. In addition to traditional point-of-sale transaction processing, we offer electronic check conversion, gift and loyalty card processing, a proprietary ATM debit payroll / international funds transfer card, as well as an array of sophisticated Web-based products including a recurring debit and credit platform and the popular check21 solution. In other words, SPS provides you with affordable solutions that you need to compete with the retail elite.

SPS is helping business change the way it operates – implementing enhanced check fraud algorithms, focusing on new customer marketing strategies, maximizing untapped opportunity, protecting profits and increasing revenues. And that is no small change.

## 2.2 CUSTOM TAILORED APPLICATIONS

SPS products and services are highly scalable and adaptable within all business environments via our secure state-of-the-art, web based software. We understand that one size does not fit all. No matter what your business, SPS can custom tailor a payment solution to meet your specific needs so you can benefit from electronic processing technologies. We fully integrated and enhanced the functionality of our products and services to specifically meet the needs of merchants, banks, financial institutions, collection agencies, property management companies, and more.

## 2.3 SPS CONTACT LIST

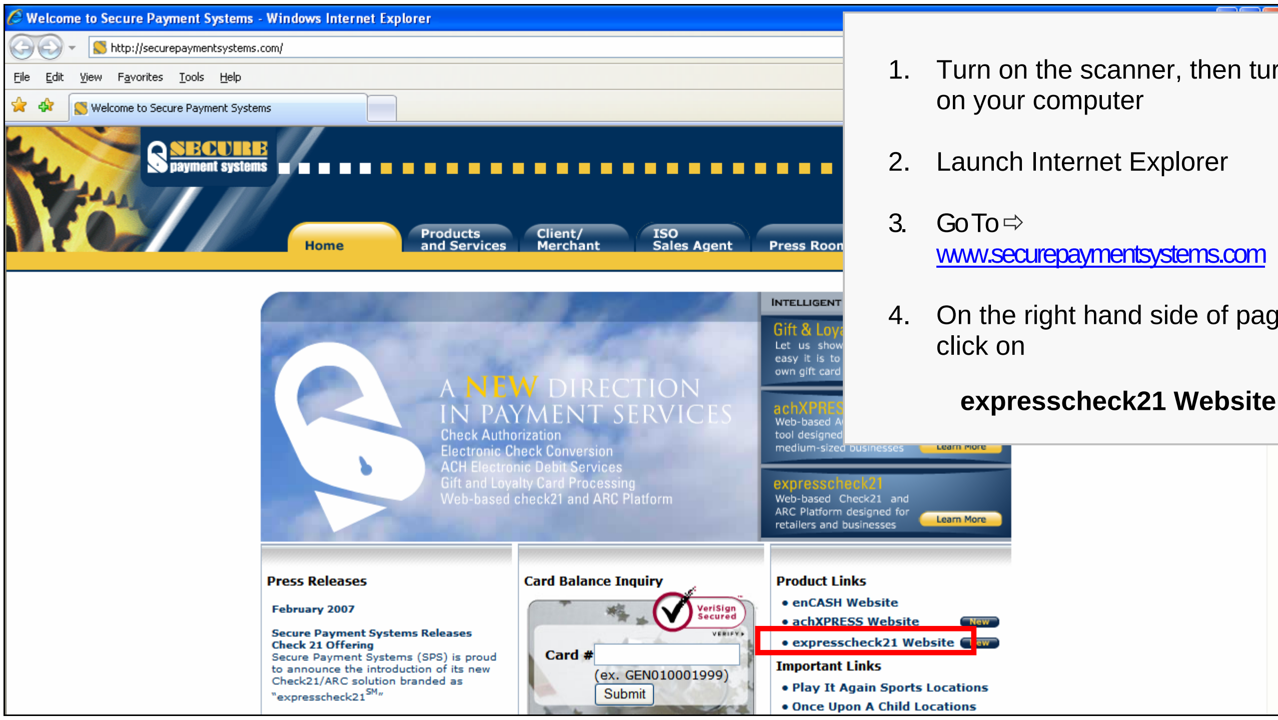
For more information on our various solutions, contact a SPS representative at:
1.888.313.7842.

**Technical Support**
support@securepaymentsystems.com

**Sales and Marketing**
sales@securepaymentsystems.com

# 3. GETTING STARTED

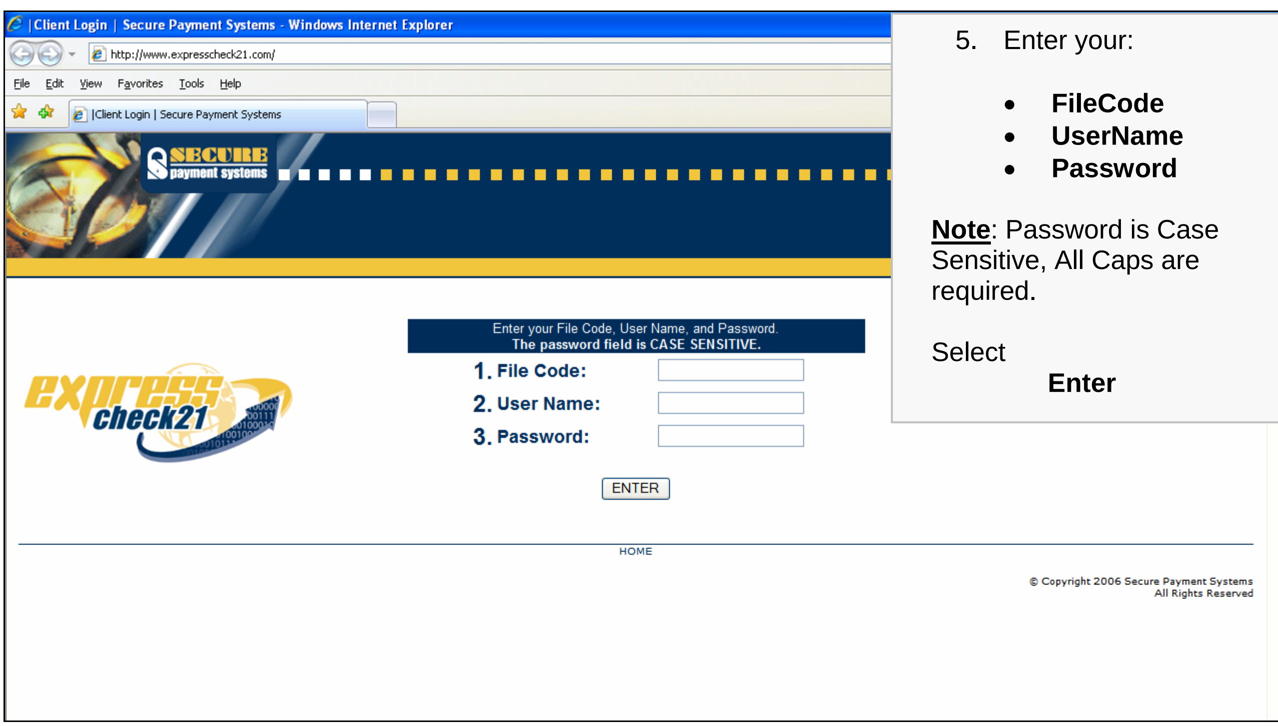
## 3.1 CUSTOMER LOGIN




1. Turn on the scanner, then turn on your computer
2. Launch Internet Explorer
3. Go To ⇨ www.securepaymentsystems.com
4. On the right hand side of page, click on

   **expresscheck21 Website**

### 3.1.1 LOGIN PAGE




5. Enter your:
   - **FileCode**
   - **UserName**
   - **Password**

**Note**: Password is Case Sensitive, All Caps are required.

Select

**Enter**

# 4. EXPRESSCHECK21 - ELECTRONIC CHECK PROCESSING SYSTEM

The following are detailed instructions that describe the process of scanning, processing and batching-out checks for deposit in your bank account.

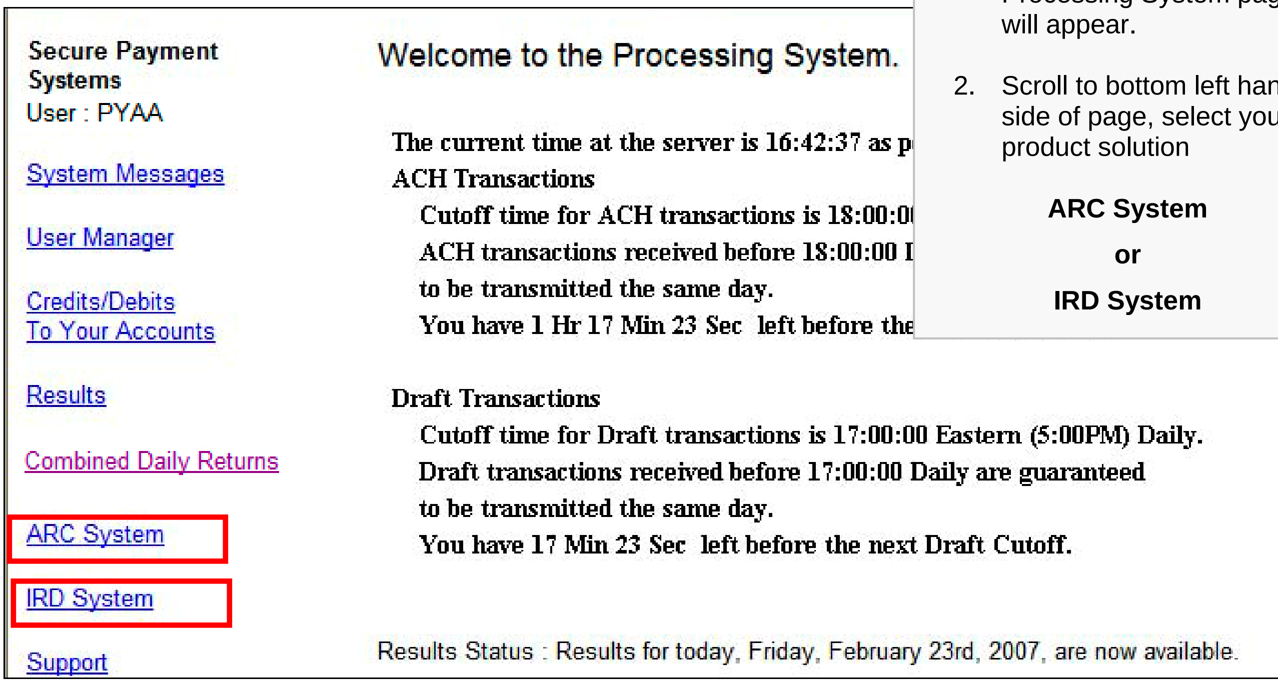
## 4.1 EXPRESSCHECK21

1. The Welcome to the Processing System page will appear.
2. Scroll to bottom left hand side of page, select your product solution

**ARC System**

**or**

**IRD System**




### 4.1.1 PREPARE CHECKS FOR SCANNING

Below are instructions on how to load checks for a specific scanner.



**Digital Check TS-350/400ES**

**TS-350/400ES** align checks along the right side of the scanner.



**Magtek Imager**

**Magtek MICRImage** neatly align the checks along the bottom left hand edge one at a time.



**Digital Check TS230-65**

**TS230-65** neatly align the checks along the bottom and left hand edge, loading them into the inboard hopper of the scanner until the sensor light turns on.



3. If you are scanning large volumes of checks, you may want to invest in a Check Jogger device that organizes and aligns checks in a neat and consistent manner, using a vibrating bin.

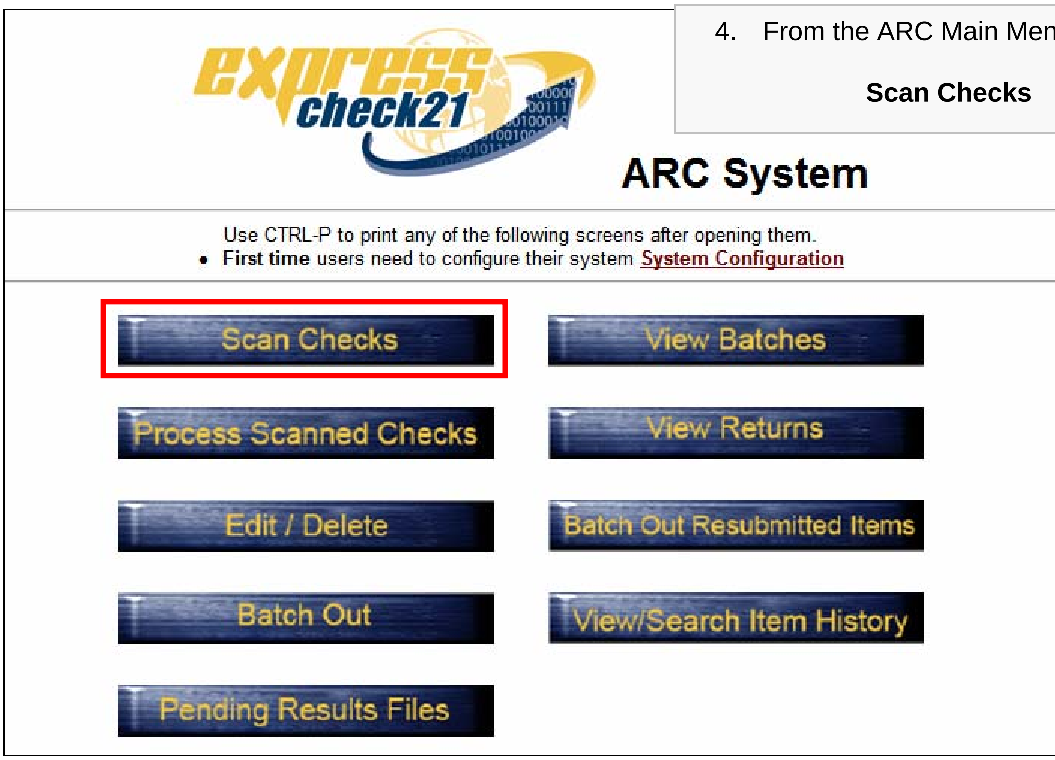
   For more information on purchasing a Check Jogger contact SPS at 1.888.313.7842.

   Ensure checks are aligned properly in the scanner.

## 4.2 HOW TO SCAN CHECKS USING THE TS230-65 and TS350 SCANNERS

This section is only for customers using the **TS230-65** and **TS350**.

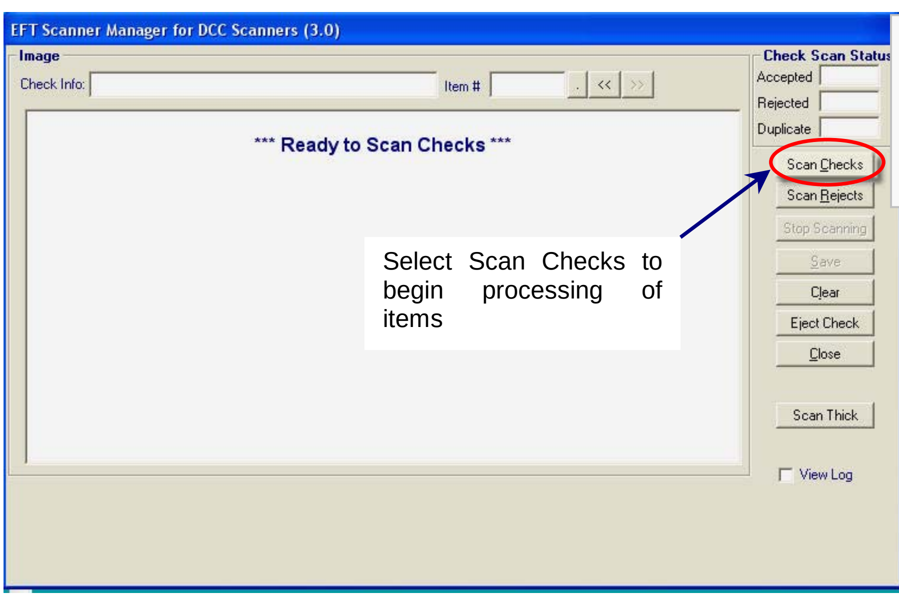
**NOTE:** If you have the **Magtek scanner**, please skip this section and go to **Section 4.3 How to Scan Checks Using the Magtek Scanner on page 12.**




4. From the ARC Main Menu, select

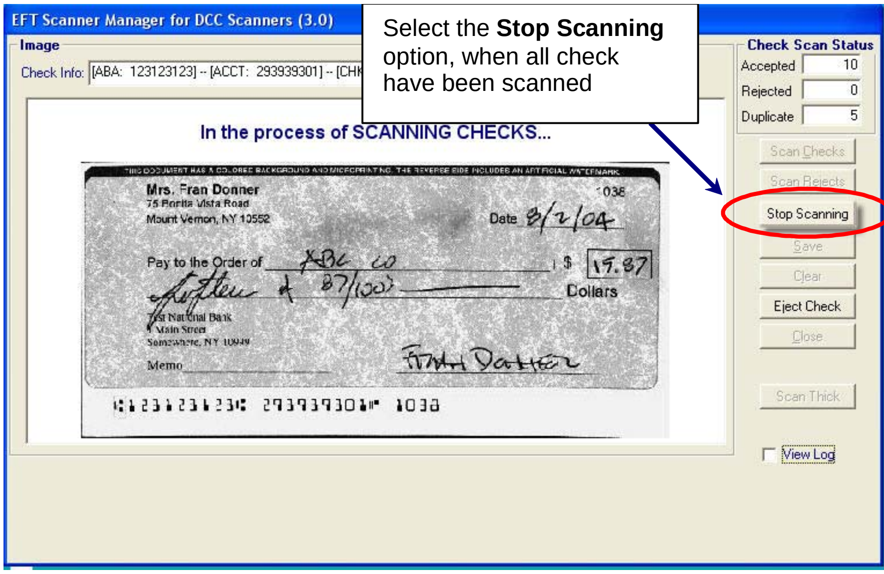
**Scan Checks**

### 4.2.1 READY TO SCAN CHECKS




5. **Ready to Scan Checks** will appear on screen, select

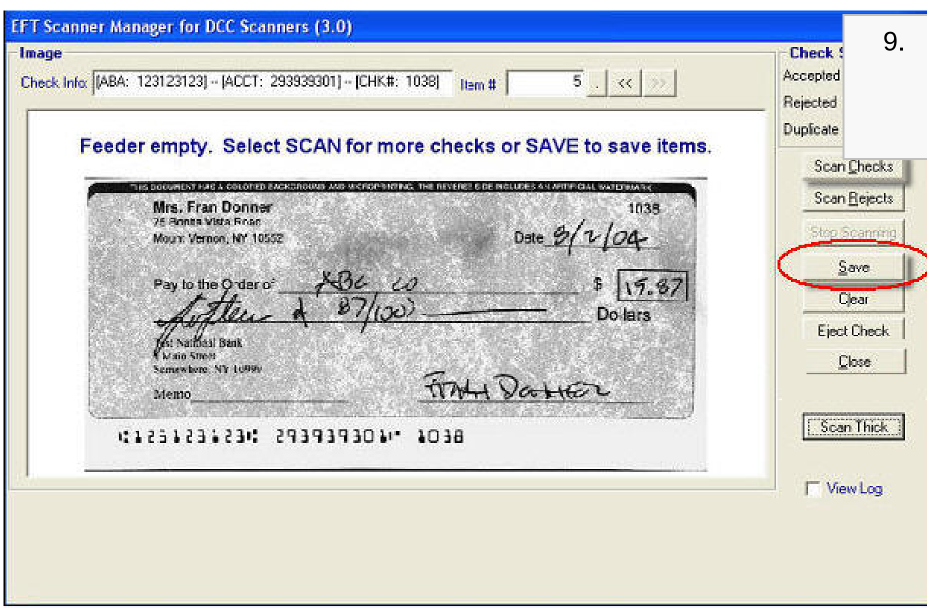
**Scan Checks**




6. Checks will begin to feed through scanner.
7. Check images will begin to appear in window as checks are scanned.
8. When you are finished scanning checks, select

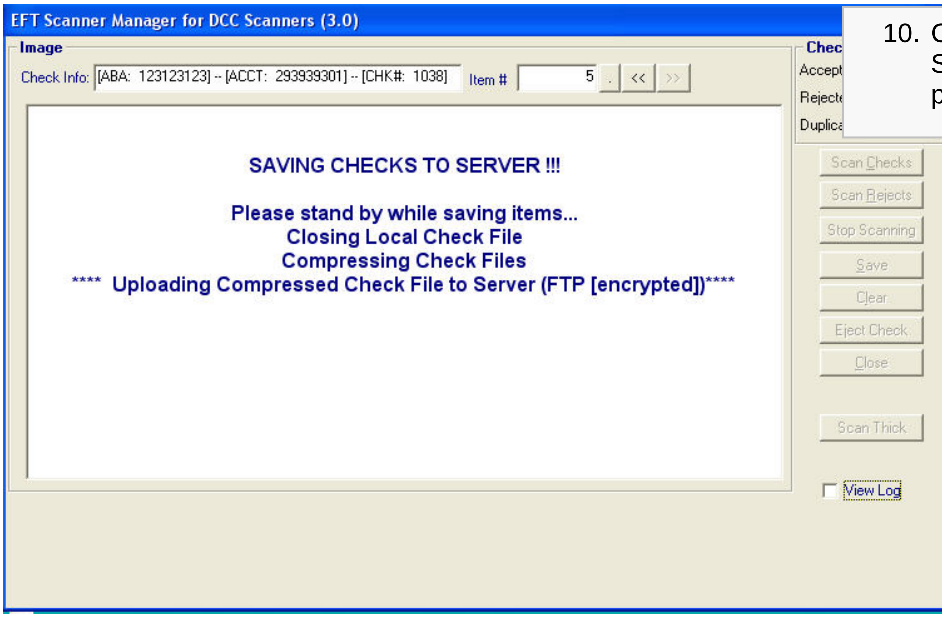
**Stop Scanning**

### 4.2.2 SAVE CHECKS




9. If you have completed scanning of items, select

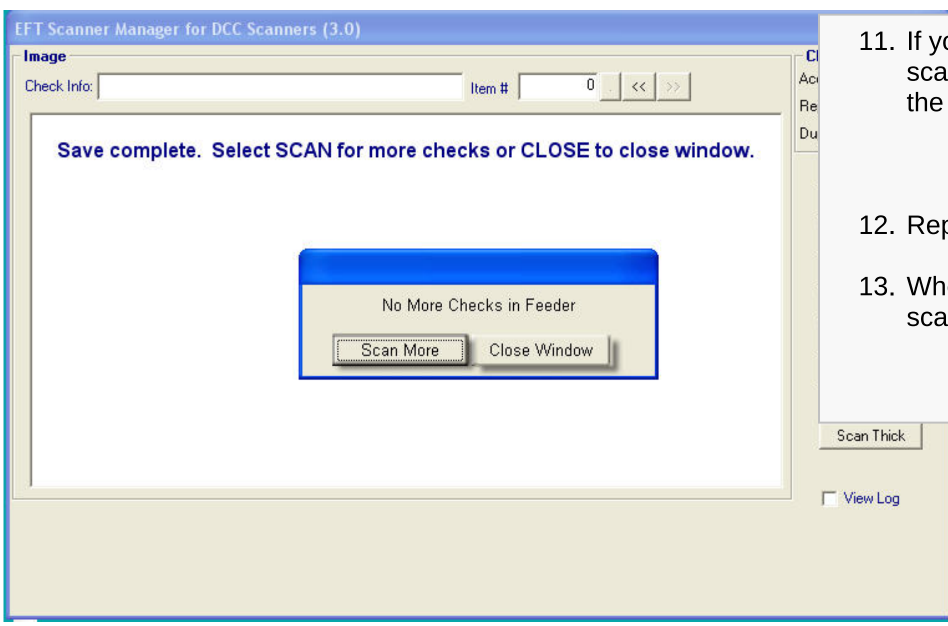
**Save**




10. Checks are uploaded to SPS Server for processing.

**NOTE:** The **Save** button must be selected in order to proceed to the Process Checks step. If Step 9, is not completed and window is closed, please see Section 6.2 Recover Unsaved Items.

Warning: If a check is scanned improperly, ***DO NOT*** select the Clear button; this will Clear **all** check in the buffer. To Delete a check, use the **Process Scanned** Checks or **Edit/Delete Functions**.




11. If you have more checks to scan, simply load them into the hopper and select

    **Scan More**

12. Repeat steps 9-12

13. When you are done scanning checks, select

    **Close Window**

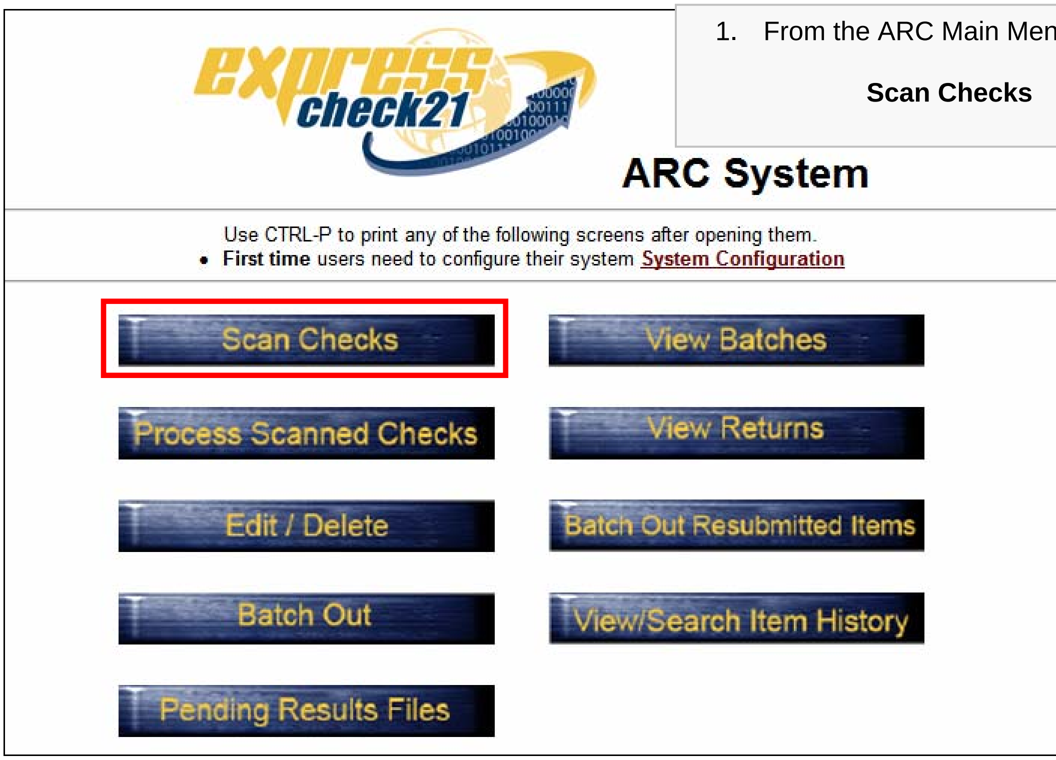
**NOTE:** **Section 4.2.2 Save Checks,** must be completed. If dialog box is closed and not saved, you will not be able to process any items. In order to process items, checks must be recovered first, see **Section 6.2 Recover Unsaved Items**.

When done, please proceed to **Section 5 Process Scanned Checks**

## 4.3 HOW TO SCAN CHECKS USING THE MAGTEK SCANNER

This section is only for customers using the **Magtek Scanner**.

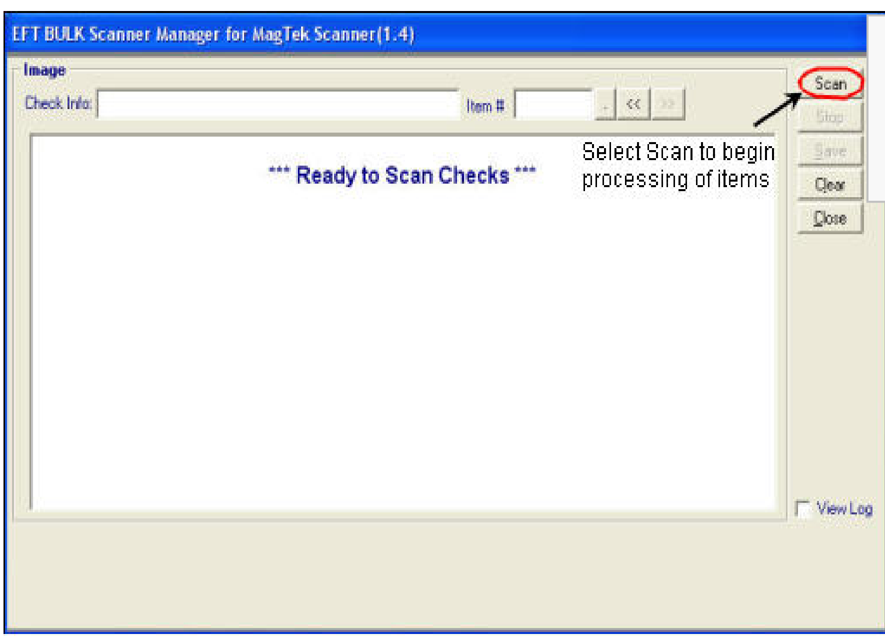
**NOTE:** If you are using the **TS230-65** or **TS350**, please go back to **Section 4.2 How to Scan Checks Using the TS230-65 and TS350.**




1. From the ARC Main Menu, select

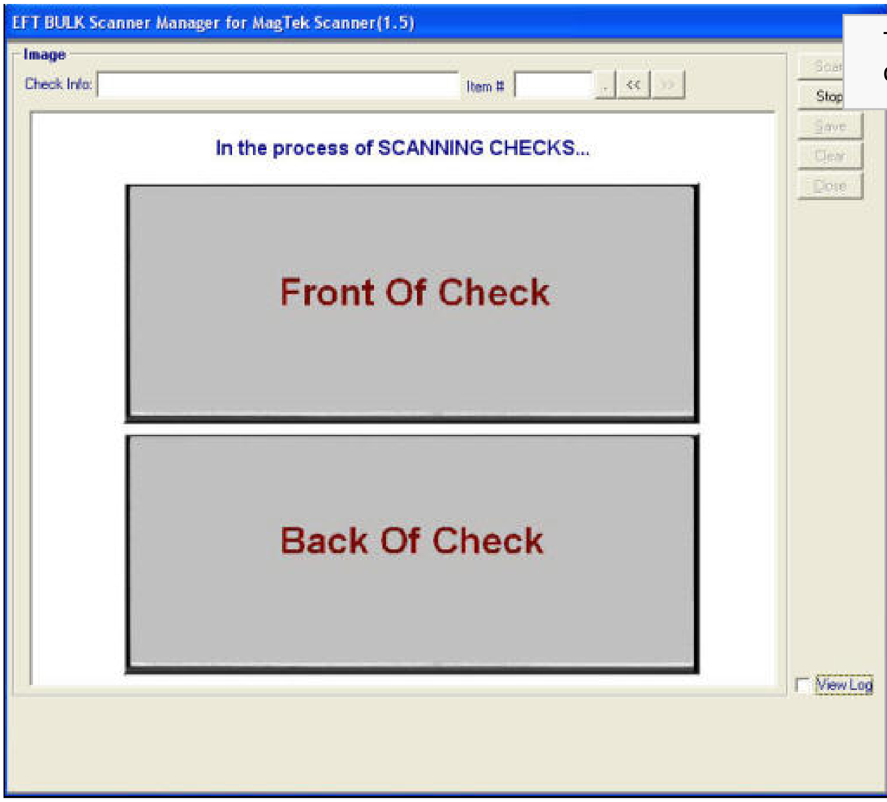
   **Scan Checks**

### 4.3.1 READY TO SCAN CHECKS

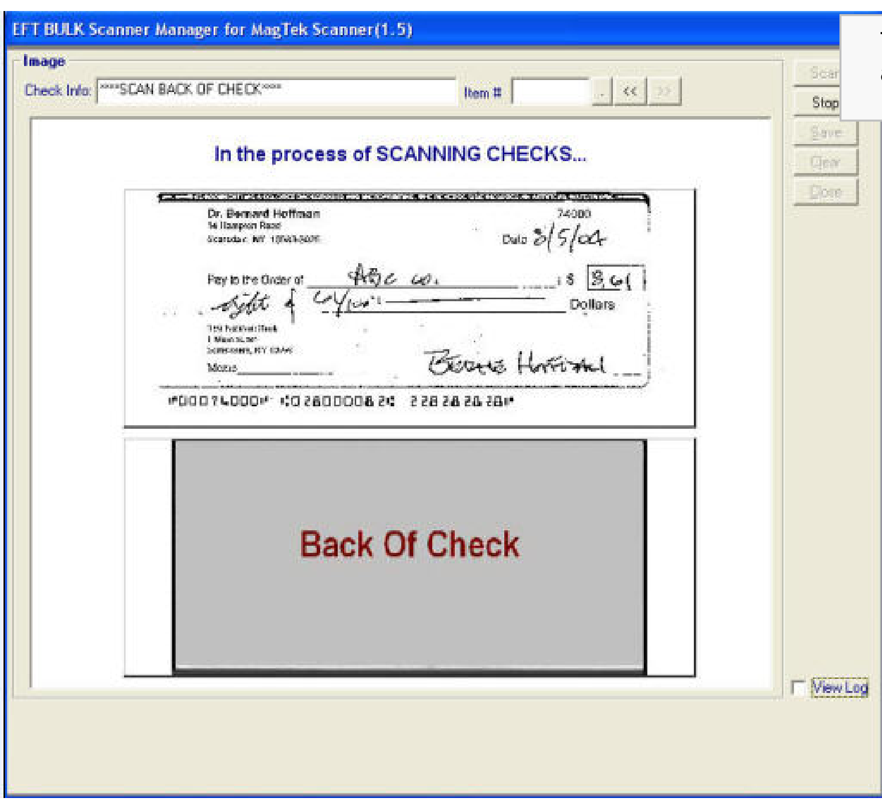



2. **Ready to Scan Checks** will appear on screen, select

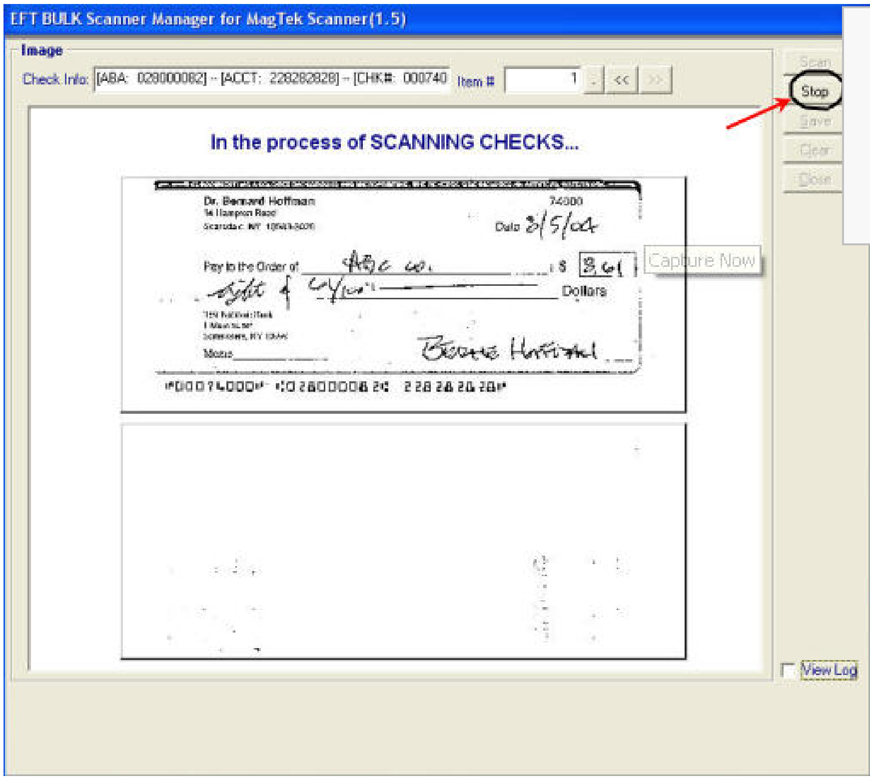
   **Scan**




The front and back of the check image will appear.




The front of the check will appear first.

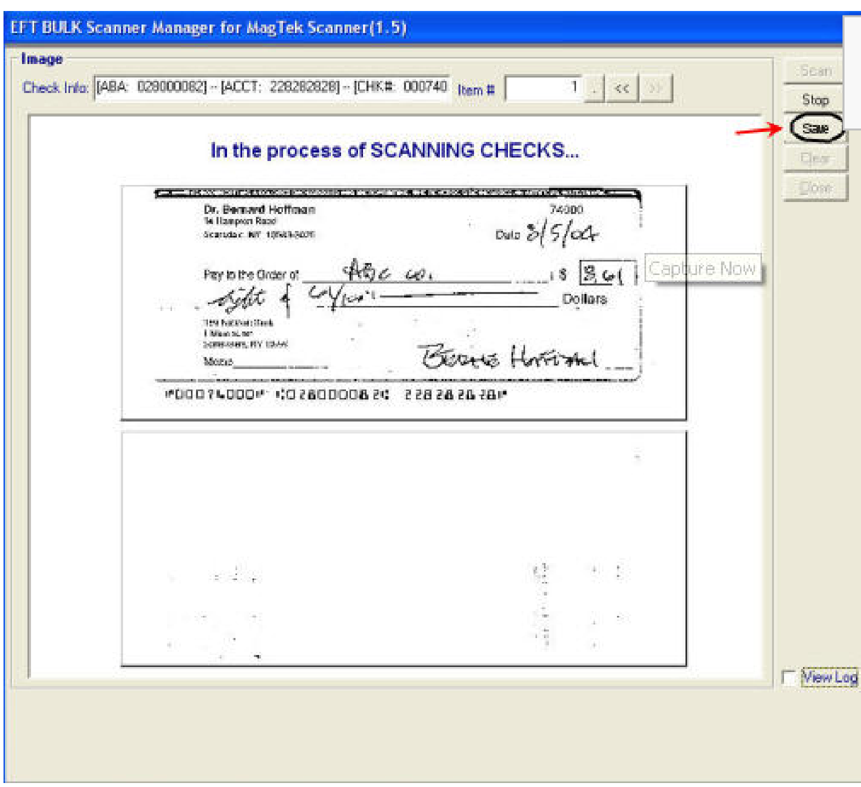



3. Image of the front and back of the check will appear.

Select

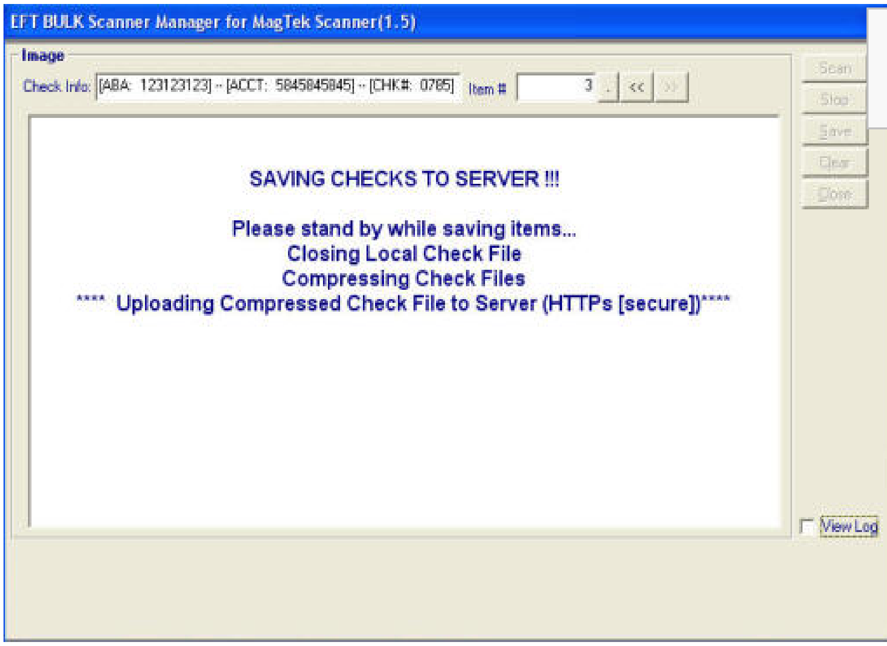
**Stop**

### 4.3.2 READY TO SAVE CHECKS




4. Select

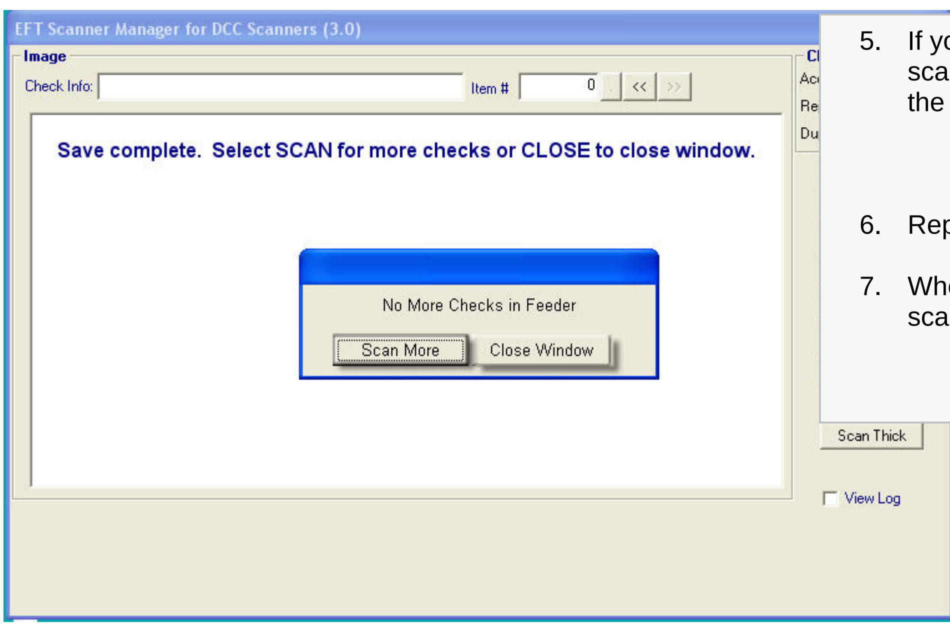
**Save**




Checks are uploaded to SPS Server for processing.

**NOTE:** The **Save** button must be selected in order to proceed to the Process Checks step. If Step 4, is not completed and window is closed, please see Section 6.2 Recover Unsaved Items.

Warning: If a check is scanned improperly, ***DO NOT*** select the Clear button; this will Clear **all** check in the buffer. To Delete a check, use the **Process Scanned** Checks or **Edit/Delete Functions**.




5. If you have more checks to scan, simply load them into the hopper and select

   **Scan More**

6. Repeat steps 9-12
7. When you are done scanning checks, select

   **Close Window**

**NOTE:** **Section 4.3.2 Save Checks,** must be completed. If dialog box is closed and not saved, you will not be able to process any items. In order to process items, checks must be recovered first, see **Section 6.2 Recover Unsaved Items**.

When done, please proceed to **Section 5 Process Scanned Checks**.

# 5. PROCESS SCANNED CHECKS



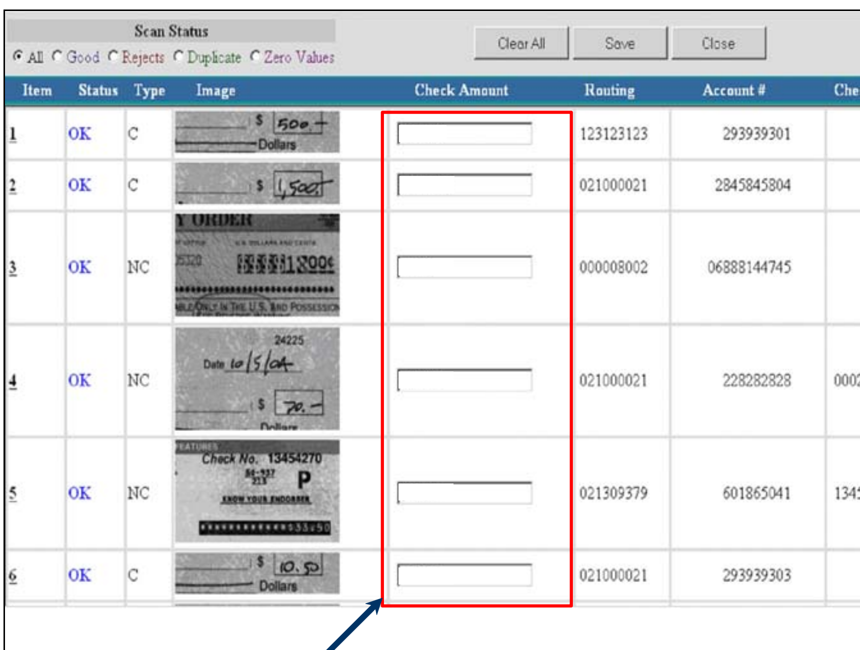

1. From the Main Menu select

   **Process Scanned Checks**

**NOTE:** **Process Scanned Checks** option must be completed before any subsequent functions can be performed.

## 5.1 DATA ENTRY FIELD

Users with **CAR/LAR technology**, will automatically see their data entry field populated with MICR data information from the captured check images, alleviating manual data entry work.




Enter dollar amount in **Data Entry Window.**
*Do not enter dollar signs*

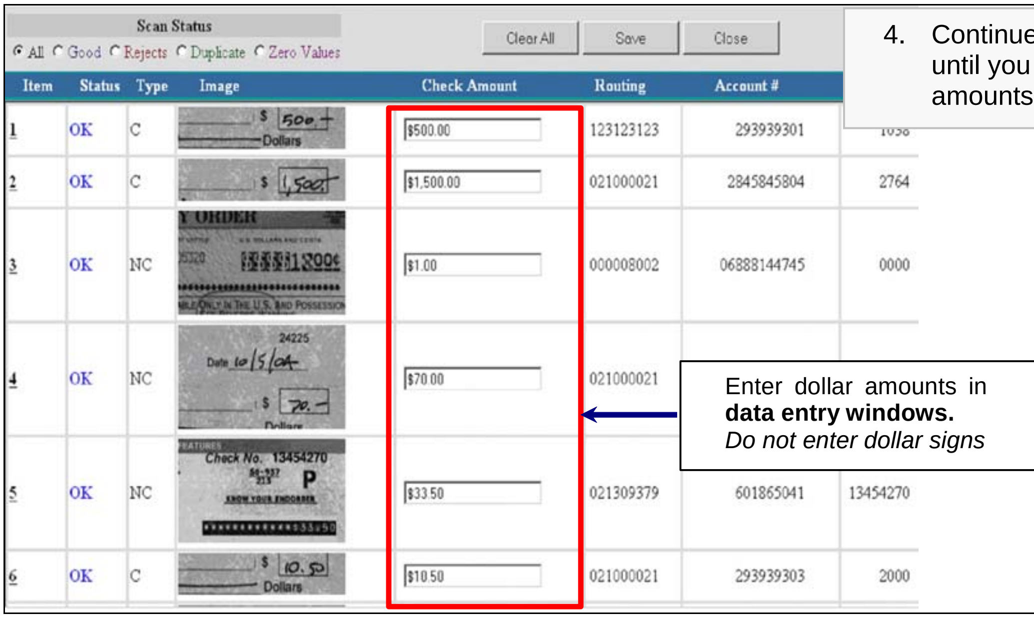
The **Scanned ARC Transactions** window will appear.

Each check image will appear, displaying the dollar amount with a blank **Data Entry Field** next to each check image.

2. Select the **Data Entry Field** and type in the dollar amount of the check payment.
   a. Do not enter dollar signs
   b. Enter the dollar amount, followed by a period and cents
   c. If the check is for '00' cents, it is not necessary to type cents
3. On your keyboard select TAB or Enter to advance to the next **Data Entry Field.**

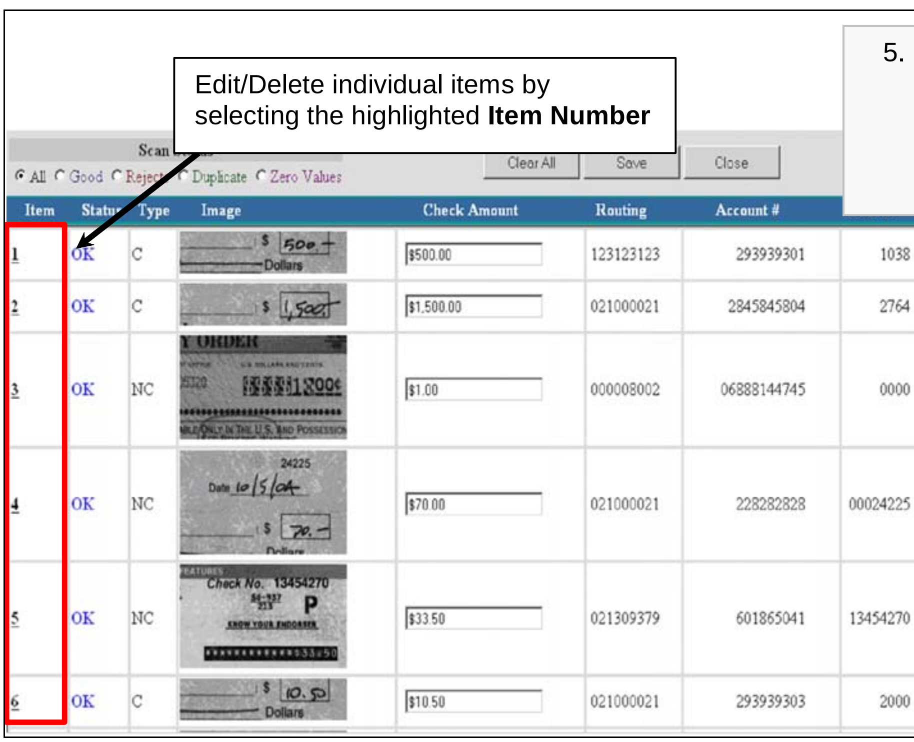
**NOTE:** If you have scanned checks but do not see any of your items listed in the data entry field see **Section 6.2 Recover Unsaved Items**.

### 5.1.1 ENTER CHECK DATA

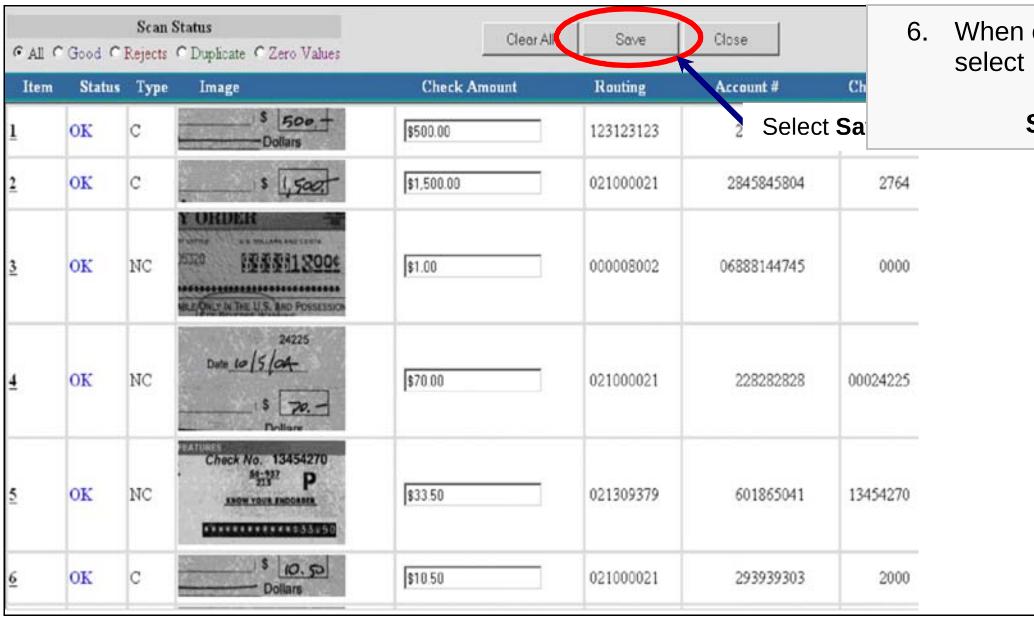



4. Continue entering data until you have entered amounts for all checks.

### 5.1.2 INDIVIDUAL CHECK DATA WINDOW

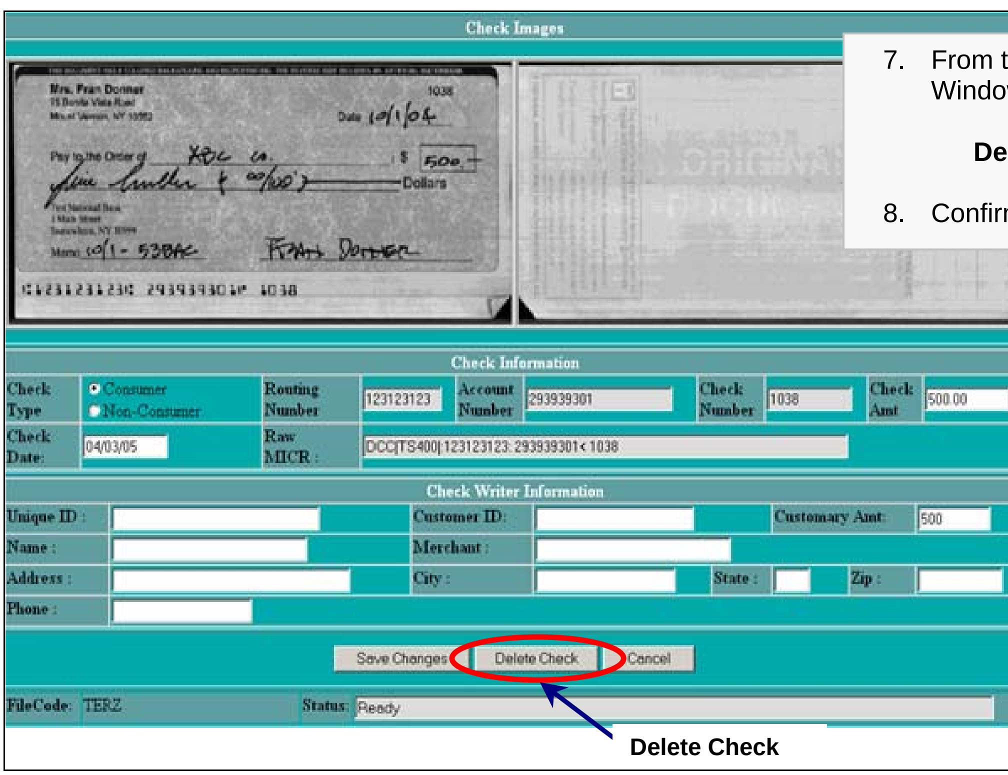



5. To open an individual check to make changes or see more information, **Double Click on the Item Number**.




6. When complete select

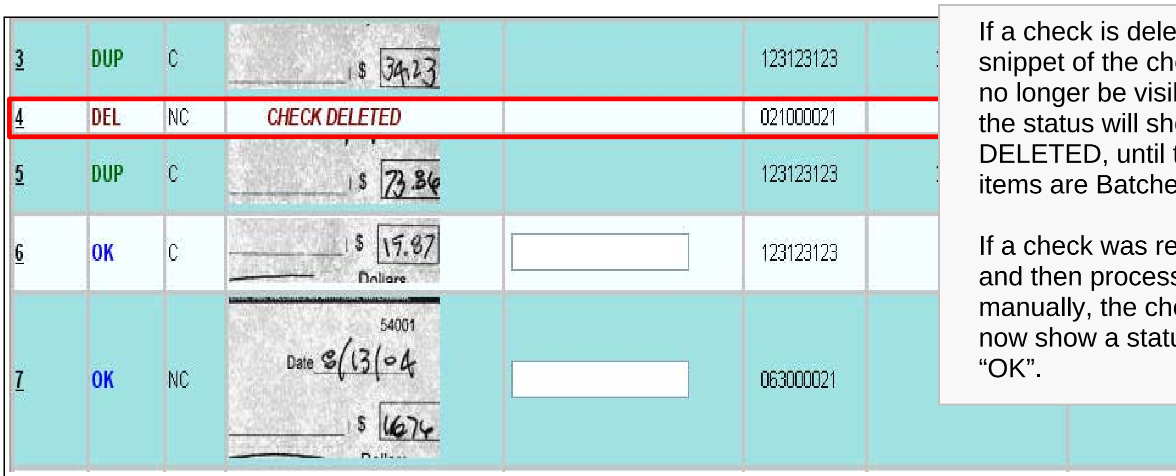
**Save**




7. From the Check Data Window you can

**Delete Check**

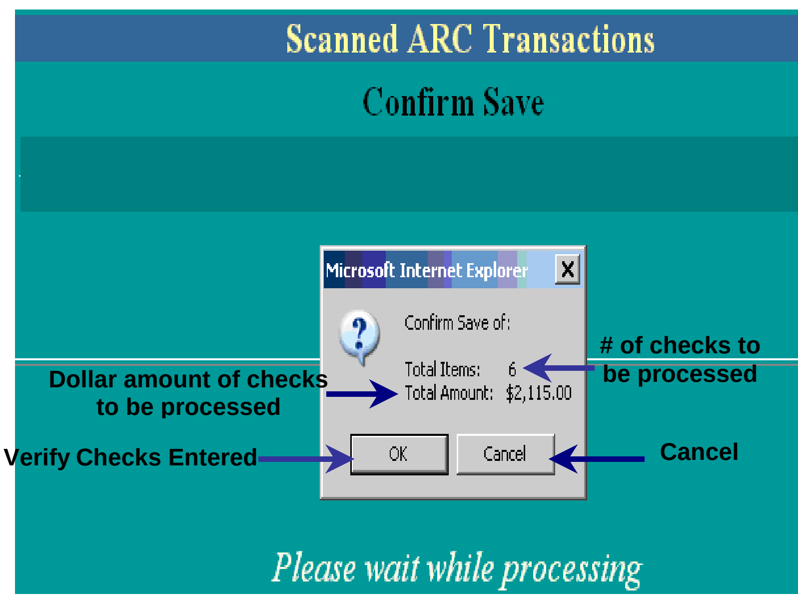
8. Confirm Deletion




If a check is deleted, the snippet of the check will no longer be visible, but the status will show DELETED, until these items are Batched Out.

If a check was rejected and then processed manually, the check will now show a status of "OK".

**Status Legend**
OK = Check is good
DUP = Duplicate Check
REJ = Rejected item
DEL = Deleted check

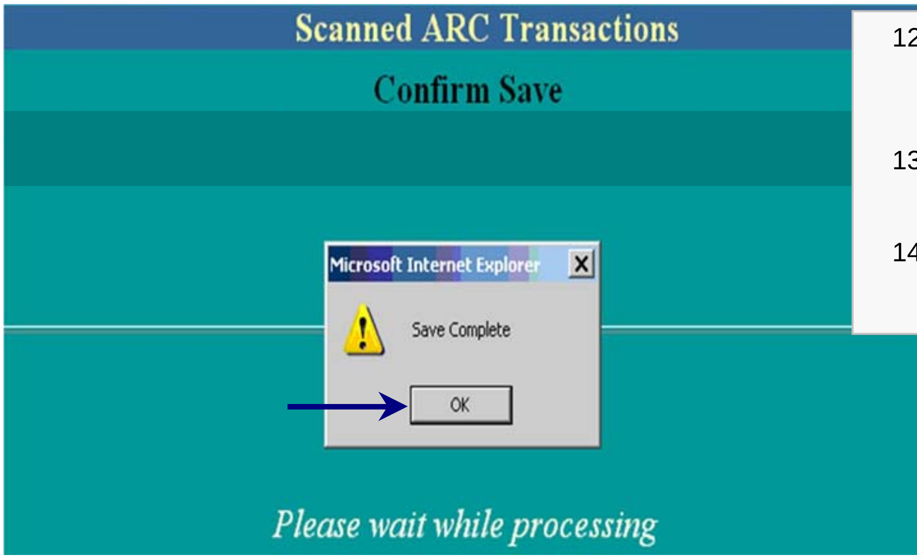



9. You will be prompted with a dialogue window to verify,
   - ➢ The total number items being processed
   - ➢ The sum total amount of the batch of checks being processed
10. If all data is correct select

    **OK**

11. If not select

    **Cancel**

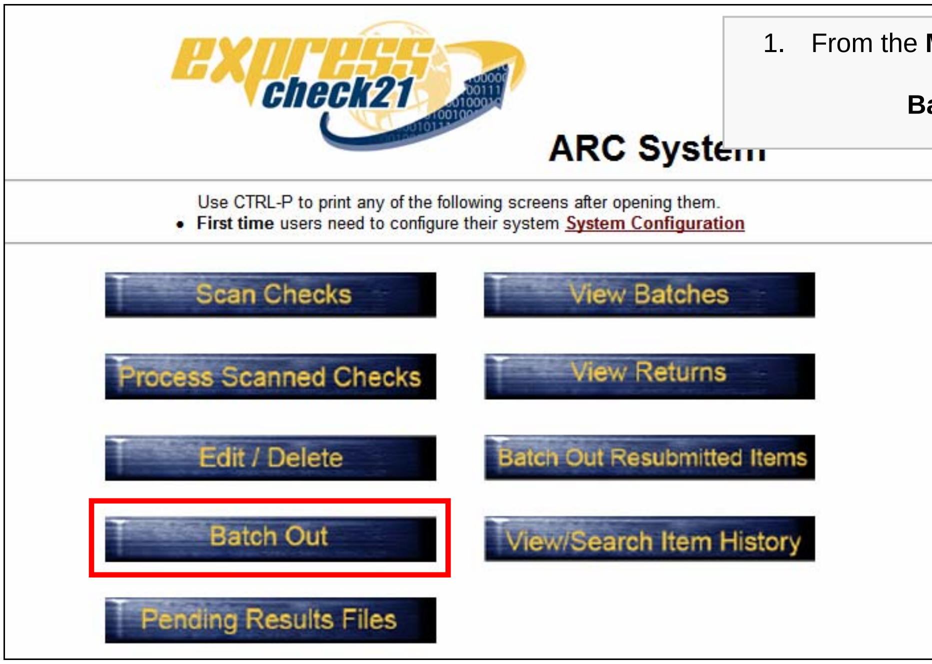



12. You will return to the Scanned ARC Transactions Screen.
13. Make your necessary changes
14. Once corrected, select

**OK**

# 6. BATCH OUT

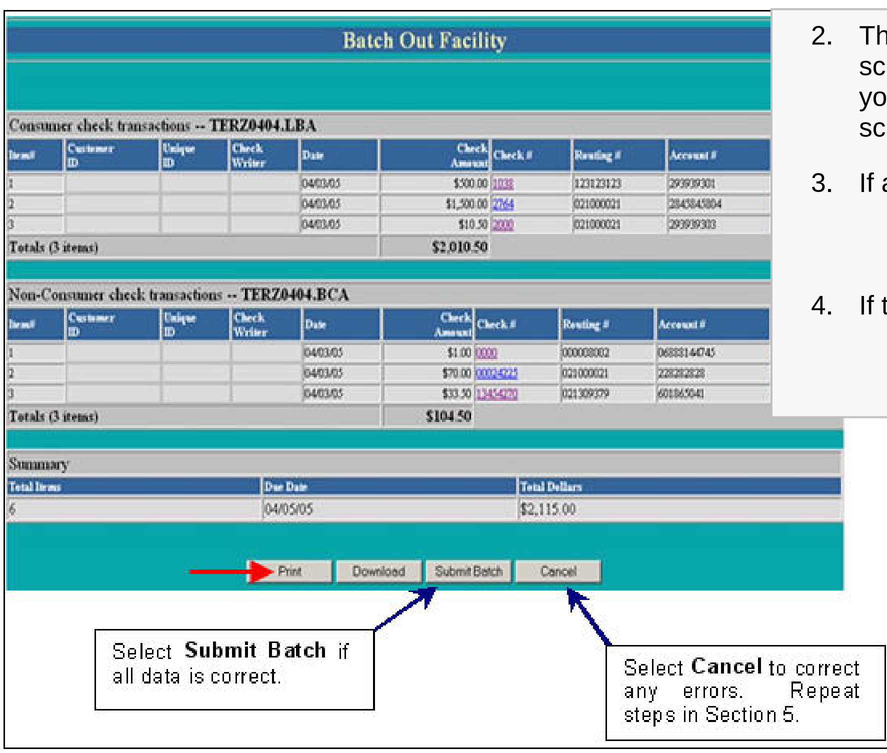
You must **Batch-out** your checks for transmission to SPS. Follow these instructions and your checks will be transmitted to SPS for processing through our nations electronic banking network, known as the ACH. Checks will be cleared through this network, with the funds deposited to your bank account.




1. From the **Main Menu** select

   **Batch Out**

## 6.1 Batch Out Facility Window

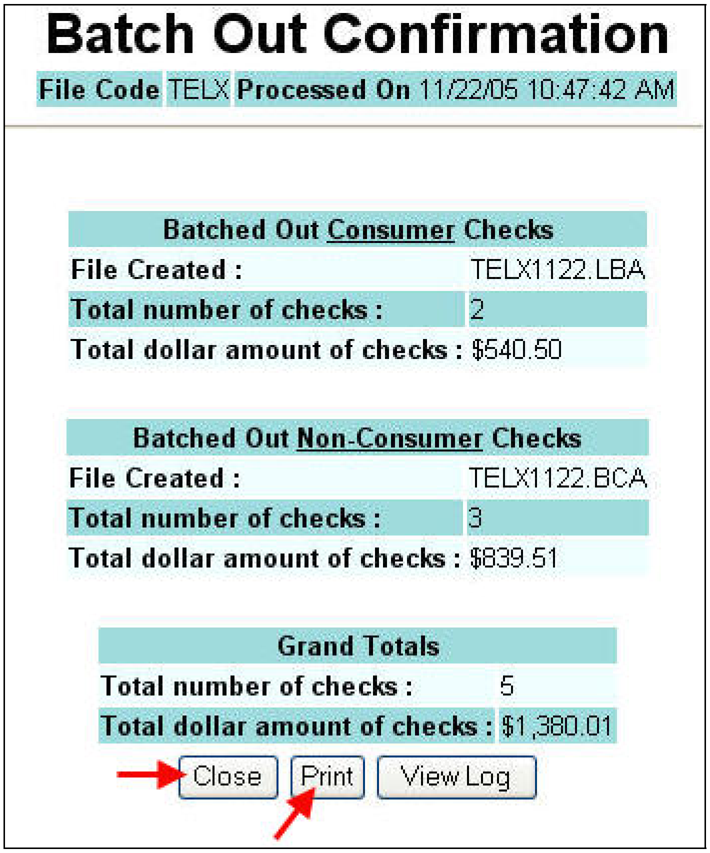



2. The **Batch Out Facility** screen will appear, allowing you to review all items scanned.
3. If all data is correct select

   **Submit Batch**

4. If there are any errors, select

   **Cancel**




After selecting **Batch Out**, the **Batch-Out Confirmation** screen will appear.

5. Select

**Print**

6. Select

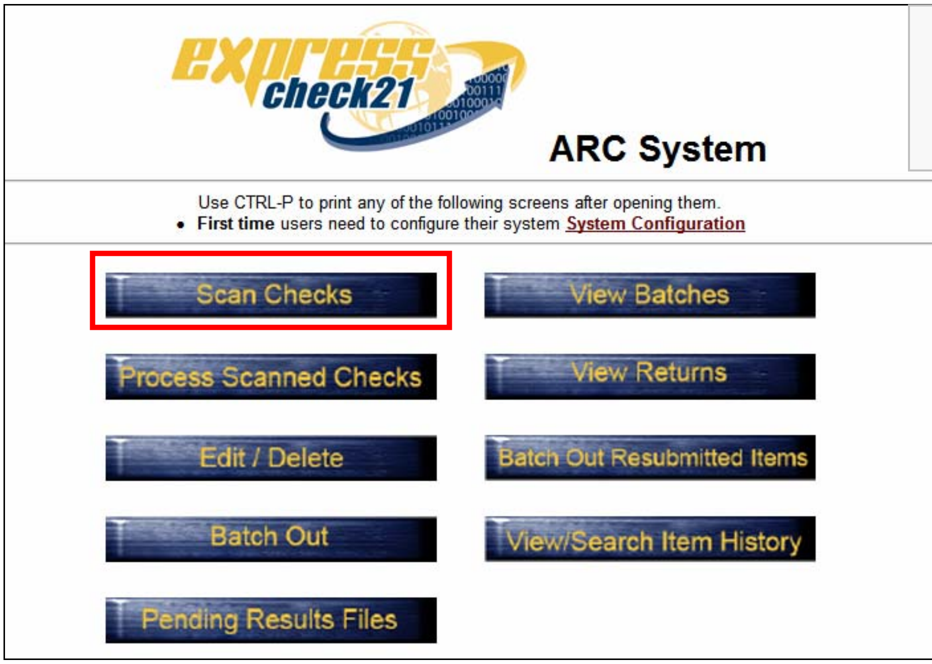
**Close**

The Bath Out Confirmation Screen confirms that the batch you have sent has been received by SPS for processing.

7. Items have been uploaded to SPS for processing.

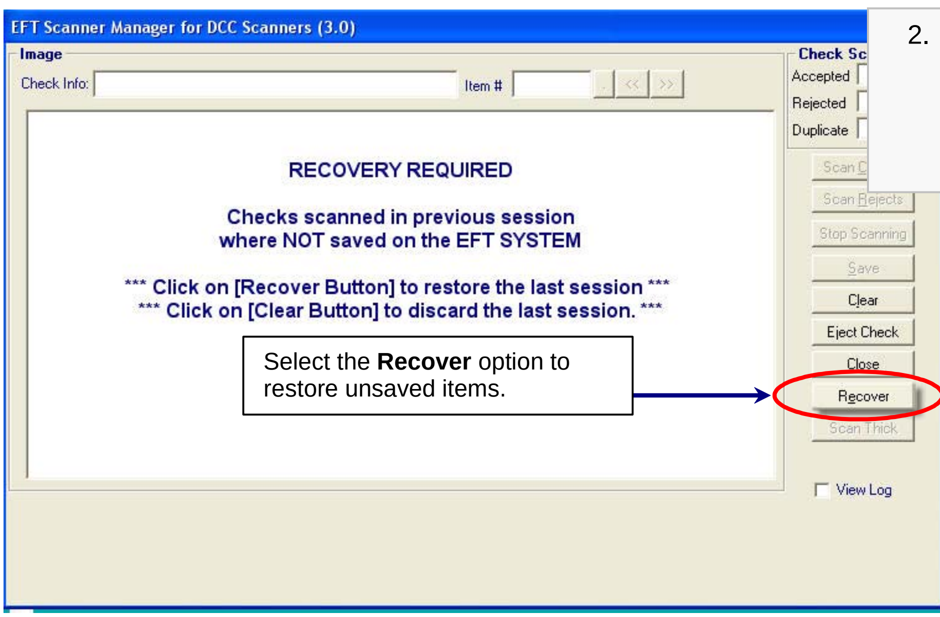
## 6.2 RECOVER UNSAVED ITEMS

If attempting to process checks after scanning, and there are no checks visible in the Processed Scanned Checks section as shown in Section 3, it is possible that checks were not saved after scanning. To recover unsaved checks:



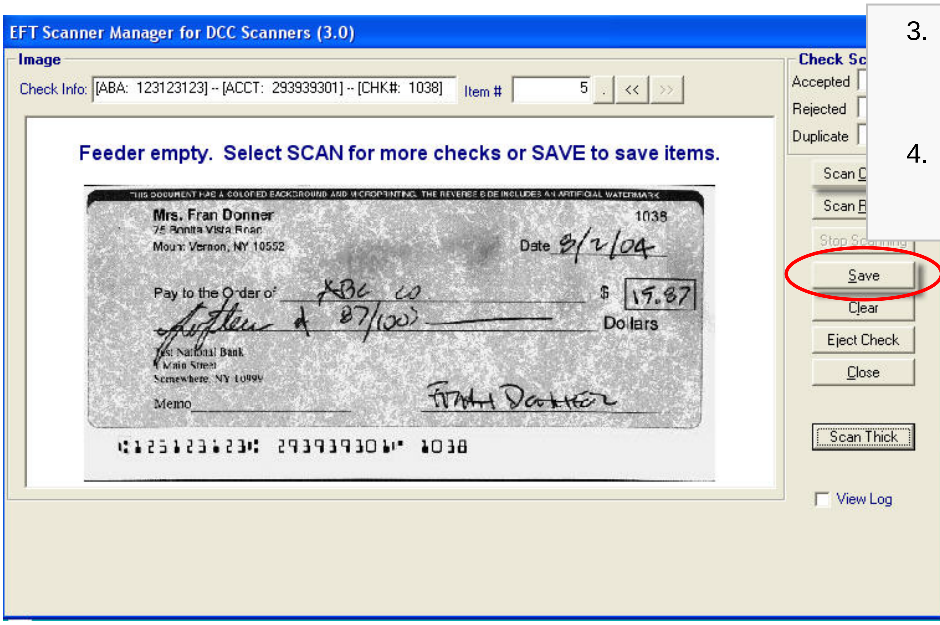

1. From the ARC Main Menu, select

   **Scan Checks**




2. You will be prompted to Recover unsaved by items by selecting

   **Recover**



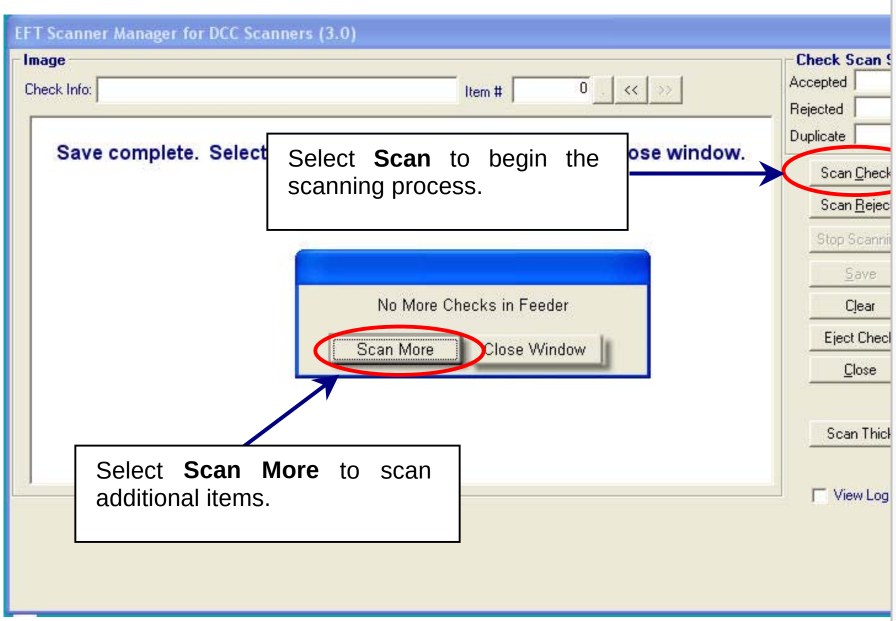

3. Select

**Save**

4. When complete select

**Close**

### 6.2.1 SCAN MORE CHECKS




1. Select

**Scan More**

2. **Ready to Scan Checks** will appear on screen, select

**Scan Checks**

Checks will begin to feed through scanner.

Check images will begin to appear in window as checks are scanned.

3. When you are finished scanning checks, select

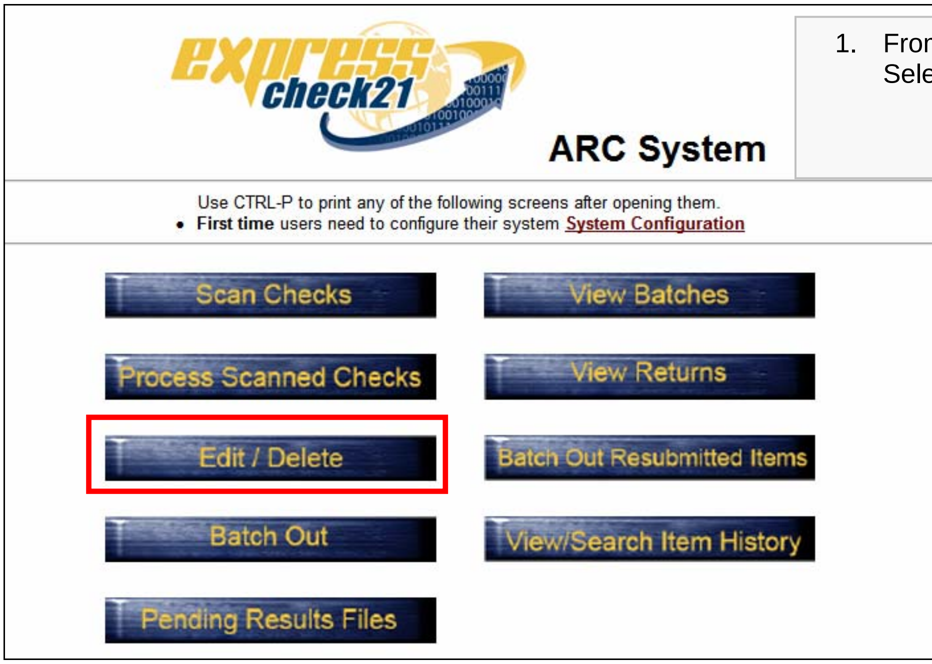
**Stop Scanning**

4. Select

**Save Checks**

# 7. EDIT/DELETE SCANNED CHECKS

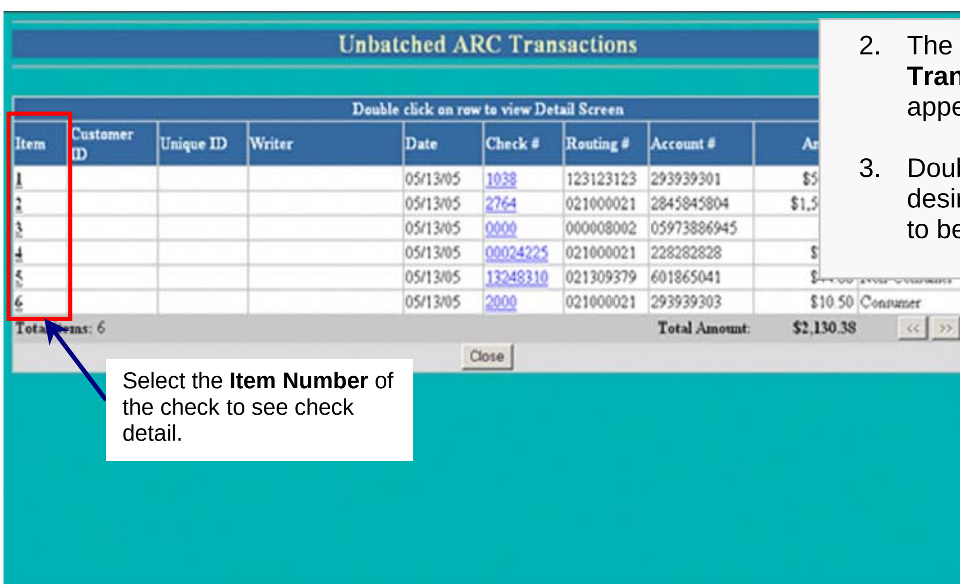
The **Edit/Delete** function allows the user to **Edit** or **Delete** a processed check with customer data that would not otherwise be brought into the software during the scanning process. Edit or Delete may only be performed prior to submitting them to SPS for processing.




1. From the Main Menu, Select:

   **Edit/Delete**

## 7.1 TO EDIT AN ITEM

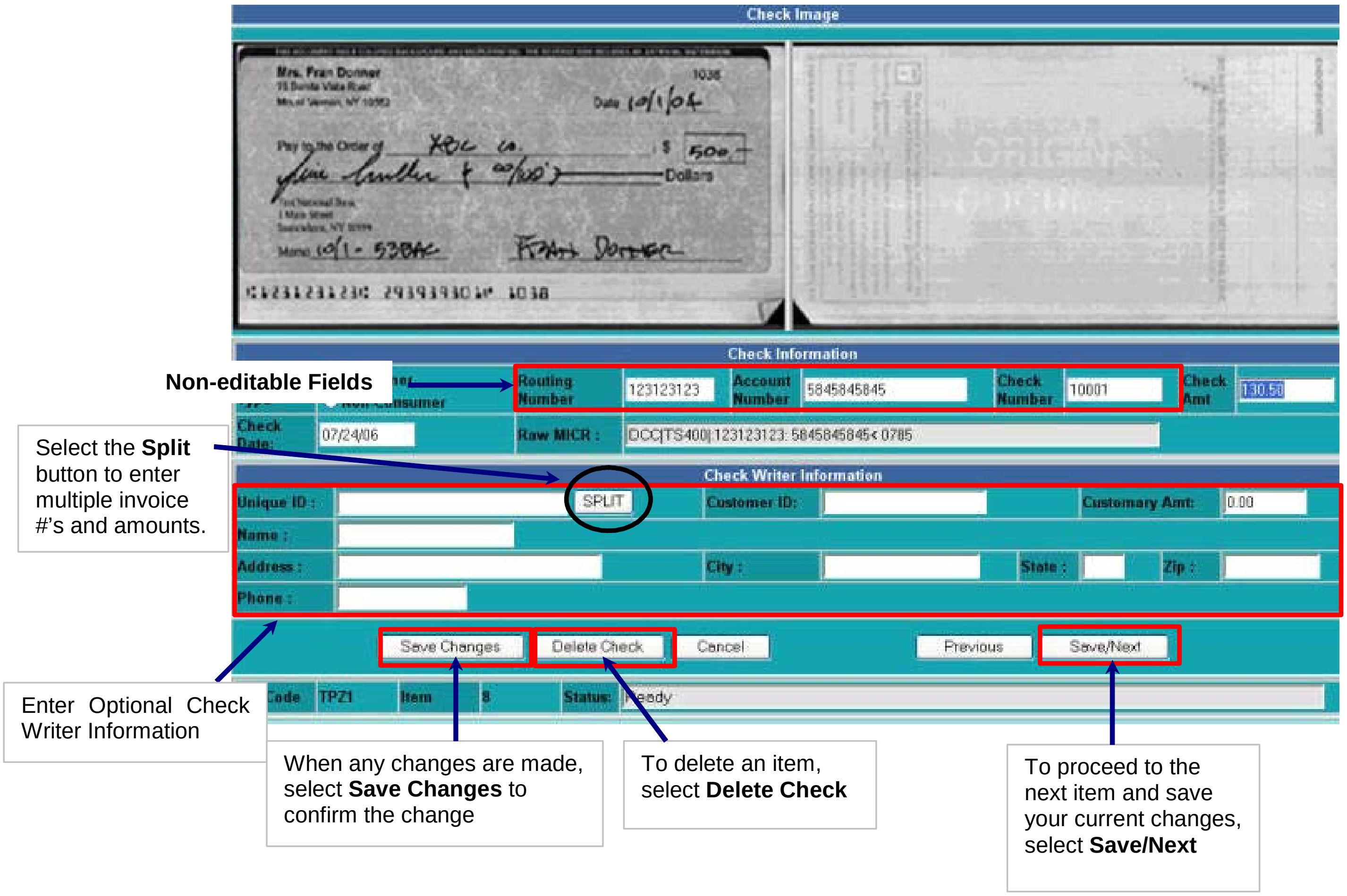


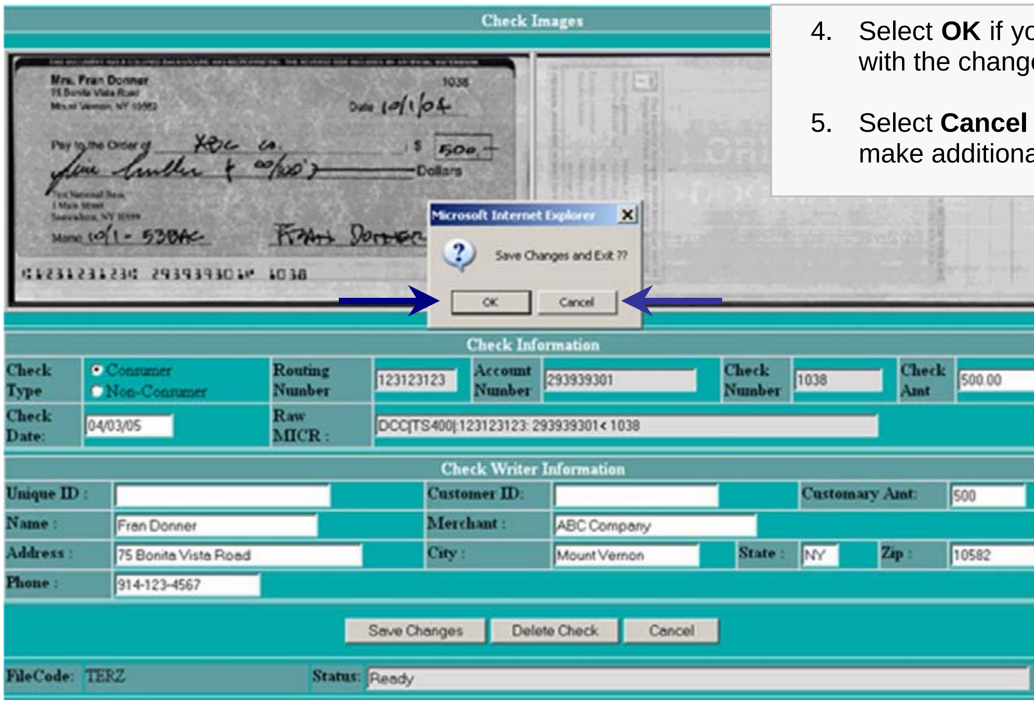

2. The **Unbatched ARC Transactions** will appear.

3. Double click on the desired **Item Number** to be edited.

Select the **Item Number** of the check to see check detail.

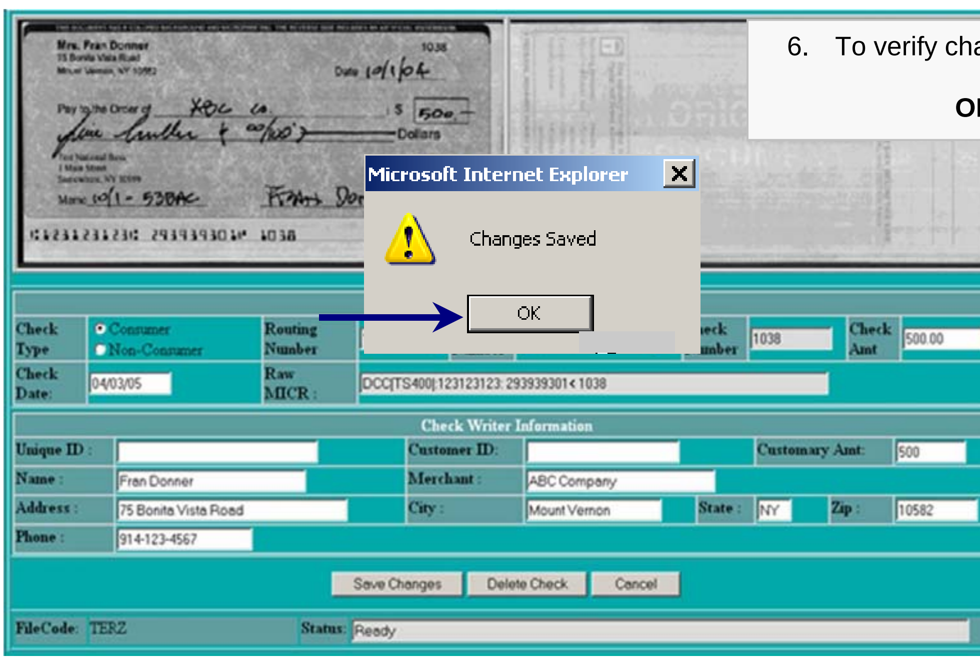
### 7.1.1 EDITABLE/NON-EDITABLE DATA FIELDS






4. Select **OK** if you are satisfied with the changes

5. Select **Cancel** if you wish to make additional changes.




6. To verify changes select

**OK**

# 8. BASIC VIEWING AND SEARCH FEATURES

The following are detailed instructions that describe the process of how to view checks that have already been scanned and batched out for processing.

## 8.1 VIEW BATCHES




1. From the ARC Main Menu, select

   **View Batches**

### View Batches

| Date | Filename | Lines | Checks | Check Total | View Details | View Confirmation |
|---|---|---|---|---|---|---|
| 12/02/05 | TELX1202.LBA | 3 | 3 | $127.96 | View Details | View Confirmation |
| 12/02/05 | TELX1202.BCA | 3 | 3 | $74.41 | View Details | View Confirmation |

Back to Main Page

Batch Filenames are automatically generated by the EFT System. Filenames are structured by:

1. Customer Filename,
2. Date file was Batched Out,
3. By File Type (Consumer/Non-Consumer)
4. Number of Batches Processed that Day.

Example:

TELX1202.BC A
1 2 3 4

Click on the **View Details** to reveal detailed information about that checks that comprise each batch. This information will include the

Routing Number
Account Number
Serial Number
Amount and
Date

If entered during the Data Entry Process, the data will also show the field for

Unique ID
Customer ID and
Customer Name

A summary screen will appear, showing each day's batch of scanned and processed checks.

Each line will represent a specific batch of checks that was processed and batched out.

The data will include the batch Filename, which itself is composed of the FileCode, followed by the check processing date, followed by a suffix.

**LB** = Consumer Item
**BC** = Non-Consumer Item

You may enter **Control + P** to print this image to your connected printer.

**View Batch Details**

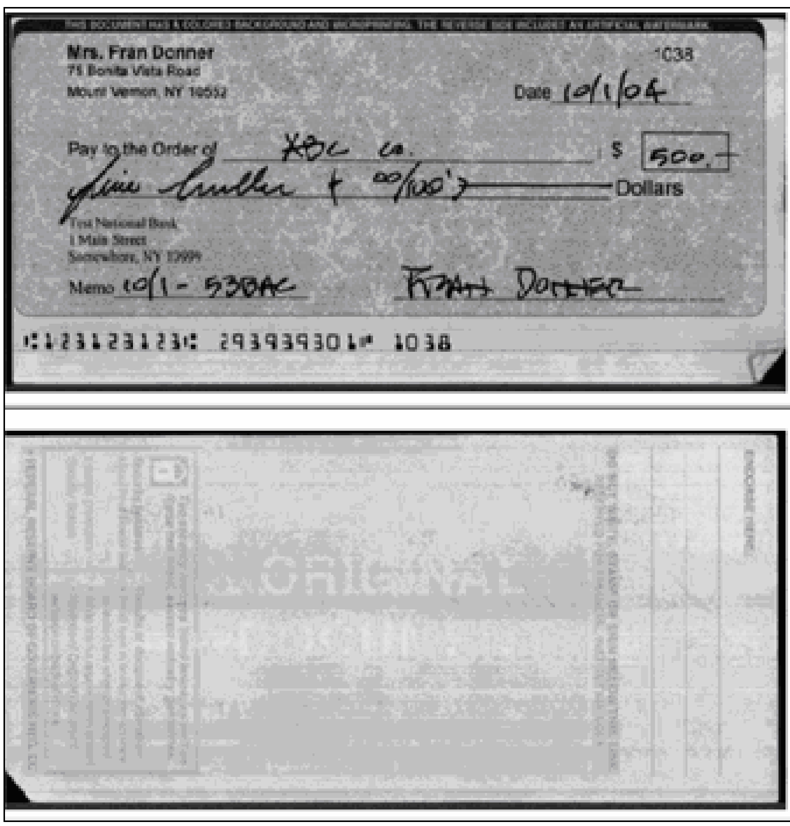
Batch : TELX1201.LI

To view a check, simply select the check number.

Click on a column heading to sort by that column.

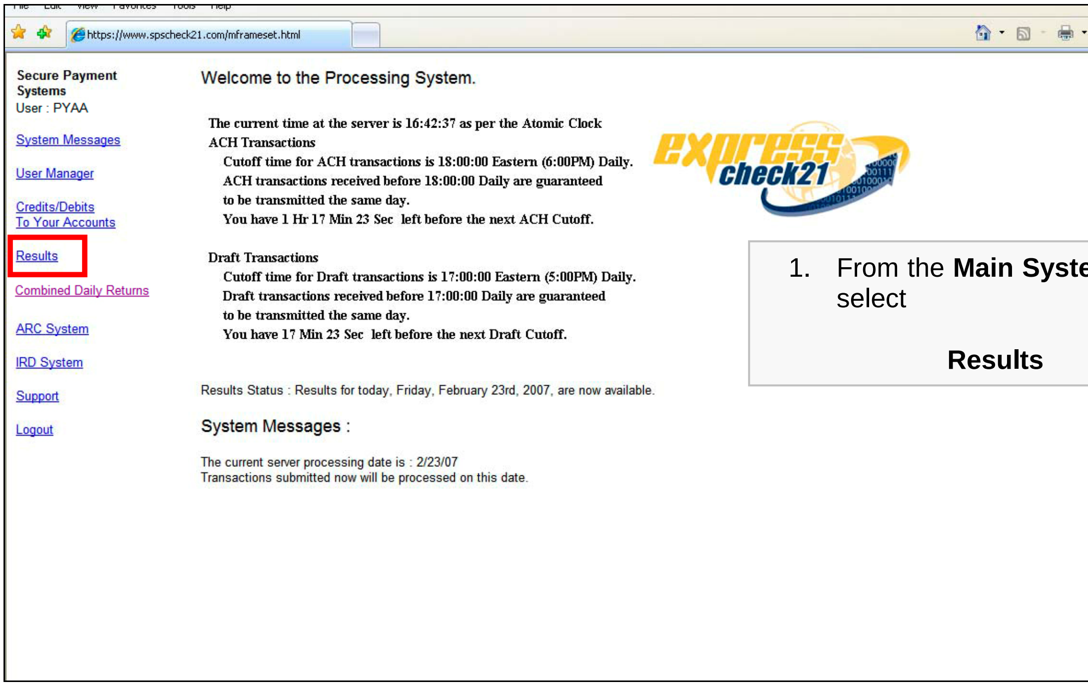
| Customer ID | UniqueID | Check Writer | Date | Check Amount | Check Number | Routing Number | Account Number |
|---|---|---|---|---|---|---|---|
| | | | 12/01/05 | $73.86 | 3700 | 123123123 | 2845845806 |
| | | | 12/01/05 | $34.23 | 1745 | 123123123 | 2845845802 |
| | | | 12/01/05 | $19.87 | 1038 | 123123123 | 293939301 |
| Totals (3 items) | | | | $127.96 | | | |

Back to Batch List | Print this Report | Download CSV File | Breakdown CSV File



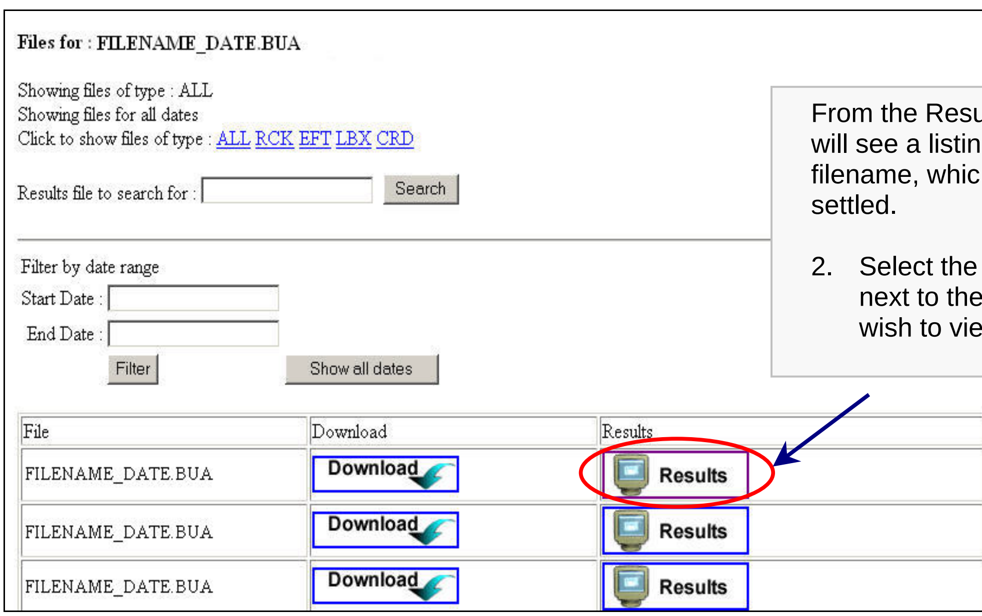

Front and back image of the check.

# 9. VIEW RESULTS OF PROCESSED CHECKS




1. From the **Main System Menu**, select

   **Results**

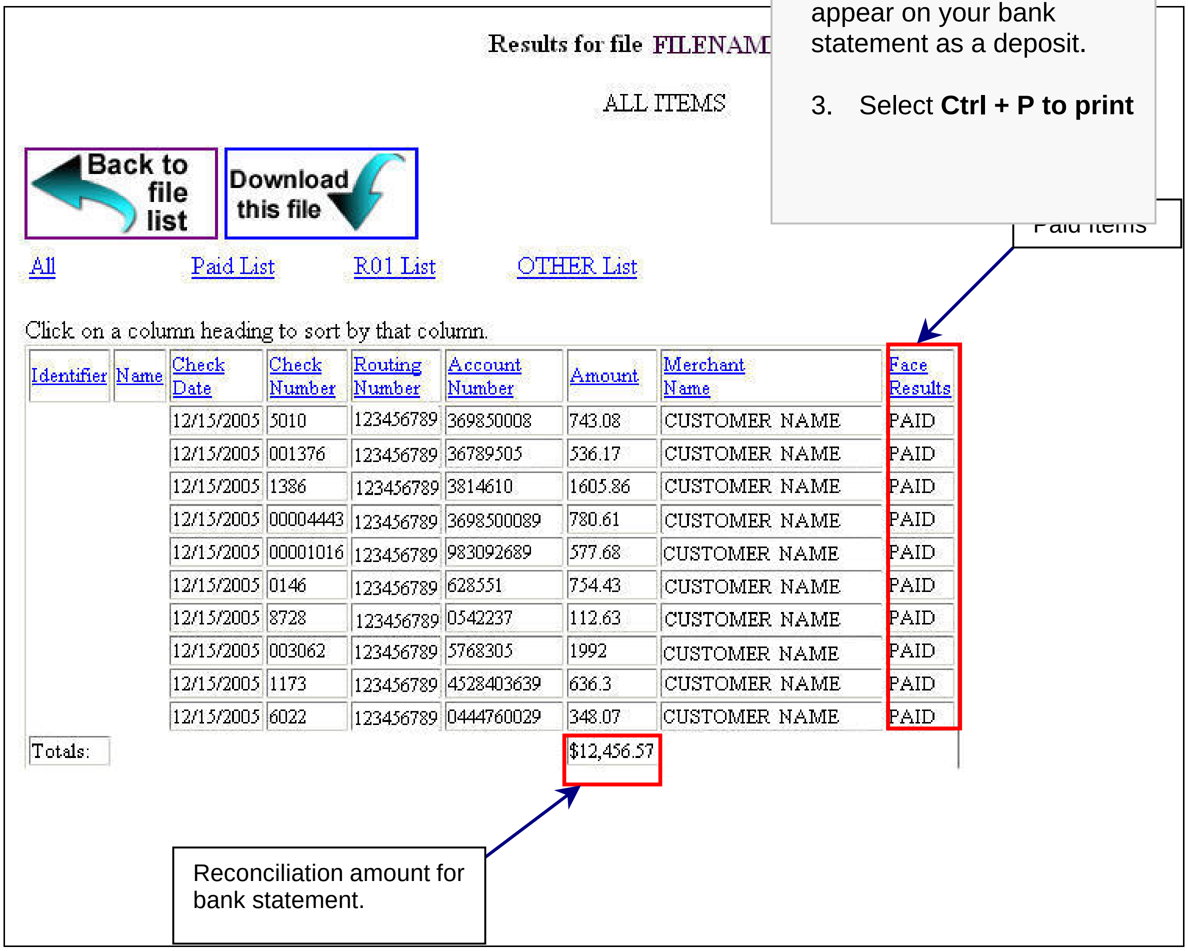



From the Results window, you will see a listing of all batches by filename, which have been settled.

2. Select the **Results** option next to the Filename you wish to view.

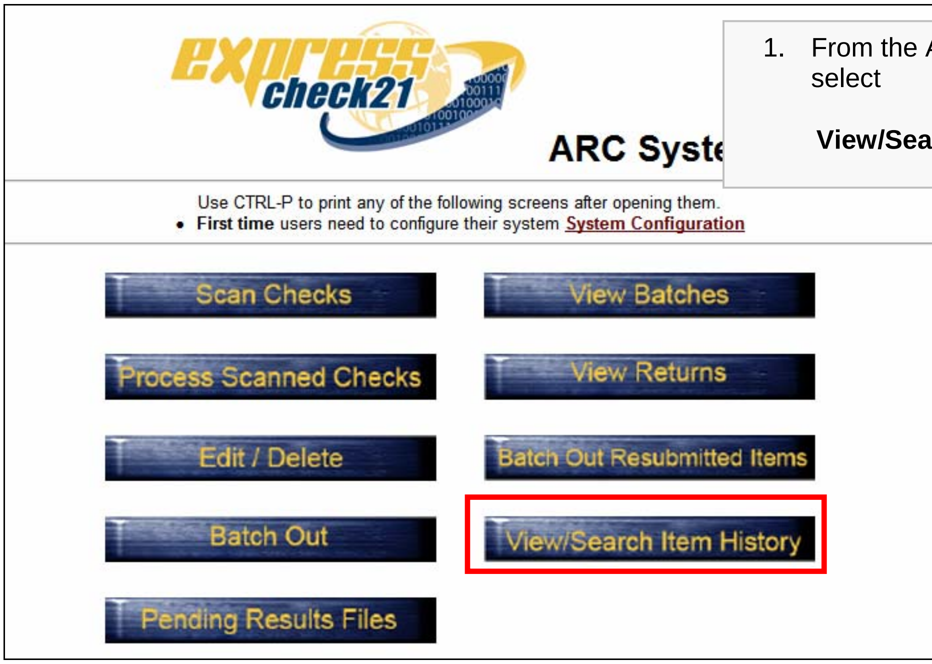
A detailed listing of all items within the selected batch will appear, including the total amount which will appear on your bank statement as a deposit.

3. Select **Ctrl + P to print**




| Identifier | Name | Check Date | Check Number | Routing Number | Account Number | Amount | Merchant Name | Face Results |
|---|---|---|---|---|---|---|---|---|
| | | 12/15/2005 | 5010 | 123456789 | 369850008 | 743.08 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 001376 | 123456789 | 36789505 | 536.17 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 1386 | 123456789 | 3814610 | 1605.86 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 00004443 | 123456789 | 3698500089 | 780.61 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 00001016 | 123456789 | 983092689 | 577.68 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 0146 | 123456789 | 628551 | 754.43 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 8728 | 123456789 | 0542237 | 112.63 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 003062 | 123456789 | 5768305 | 1992 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 1173 | 123456789 | 4528403639 | 636.3 | CUSTOMER NAME | PAID |
| | | 12/15/2005 | 6022 | 123456789 | 0444760029 | 348.07 | CUSTOMER NAME | PAID |
| Totals: | | | | | | $12,456.57 | | |

## 10. SEARCH FOR SCANNED CHECKS




1. From the ARC Main Menu, select

   **View/Search Item History**




To search for any previously scanned and processed checks.

2. Select any of the displayed windows and enter the appropriate data to search for a specific check using that parameter.

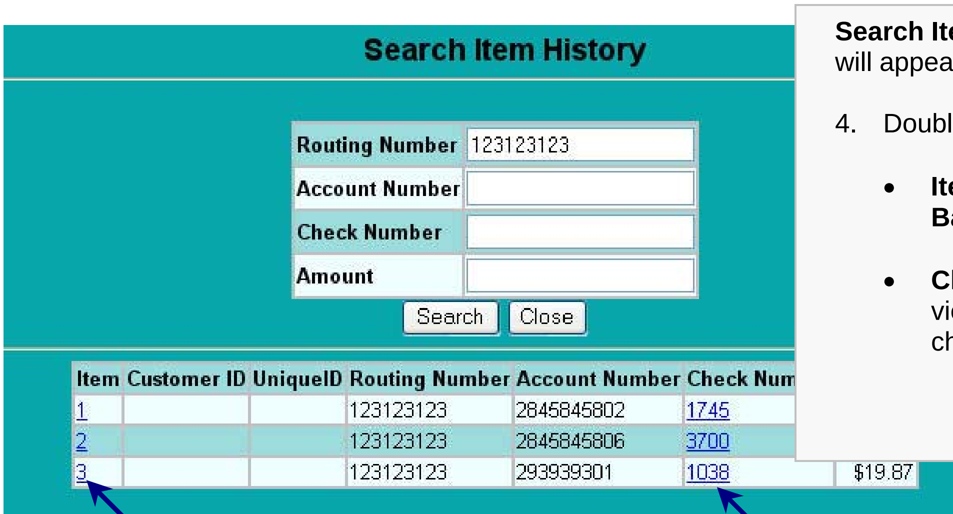
**NOTE:** Wildcard searches cannot be done, please ensure that all data is entered into search criteria field/s.

3. Select

   **Search**

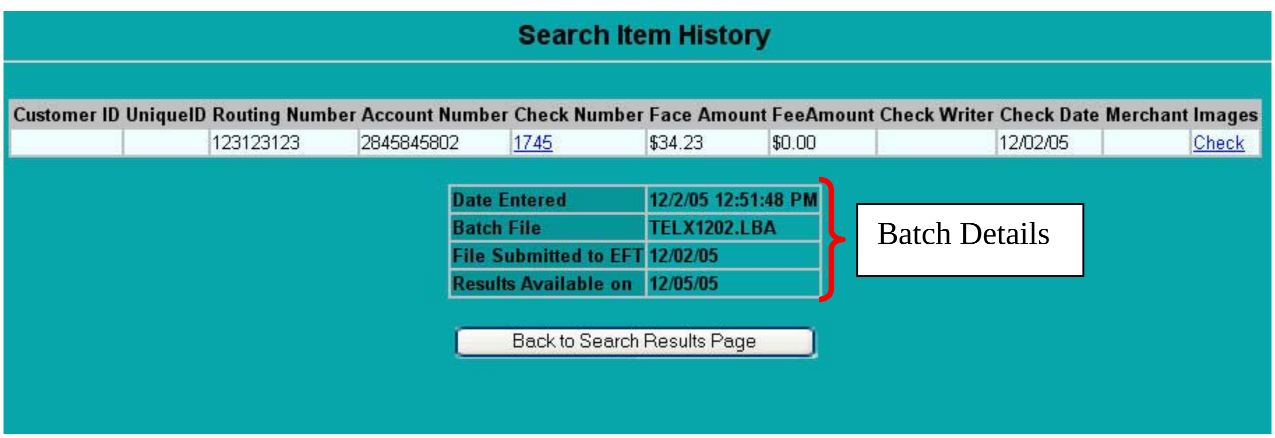
**Search Item History** window will appear.

4. Double Click on
   - **Item Number** To view **Batch Details**
   - **Check Number** To view an image of the check front & back.




Select the **Item Number** to view details of that batch.

Click on a highlighted **Check Number** to view an image of the check front and back.



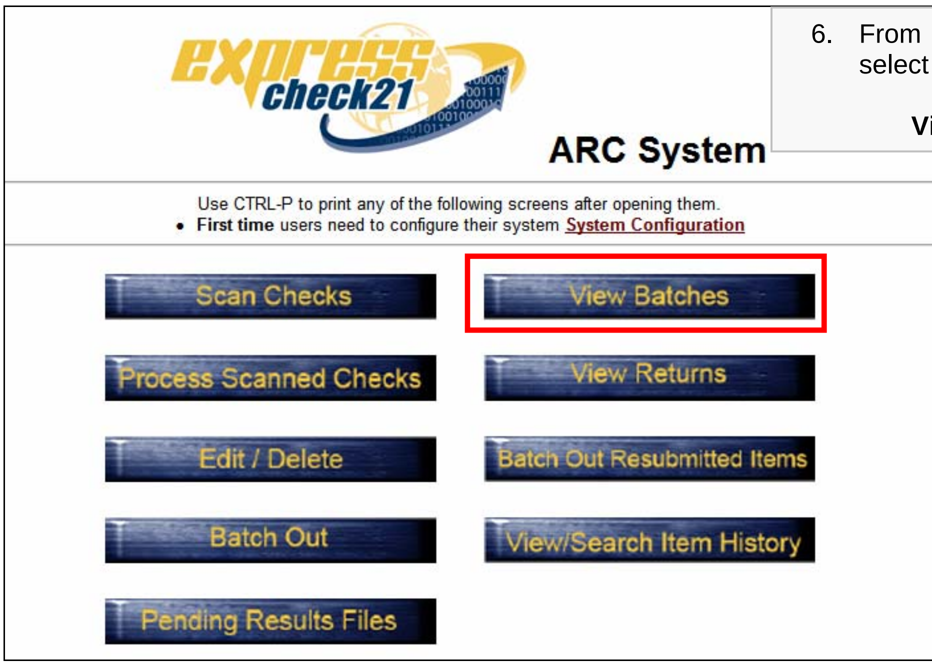
# 11. ADVANCED FEATURES

## 11.1 CREATE A COMMA SEPARATED VALUE (CSV) FILE FOR DATA EXPORT OVERVIEW

It is possible to create a data file for export out of the program. This data file can then be imported or uploaded into any number of accounting or data processing programs.

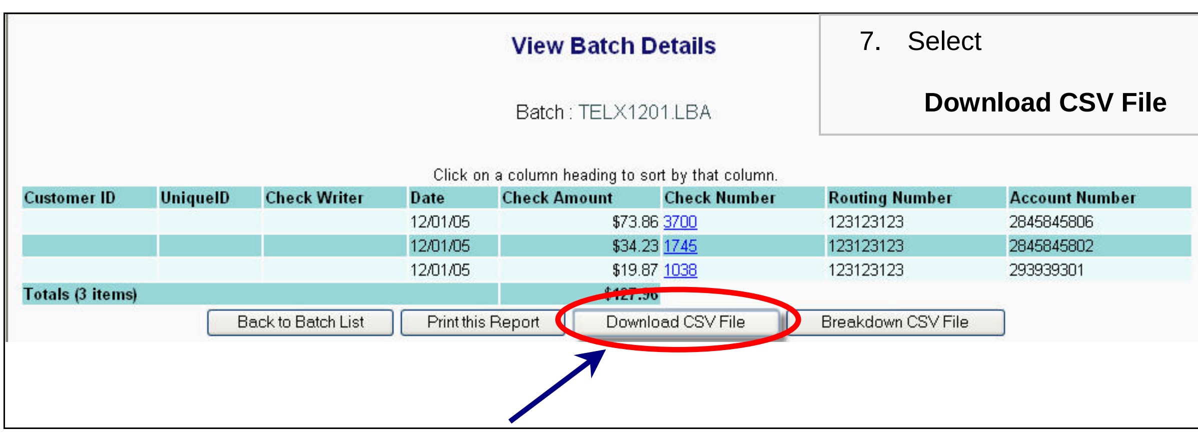
If you are going to create a CSV file, we generally recommend that the CSV file be created AFTER the Batch Out function has been performed, as defined in Section 6.

### 11.1.1 HOW TO CREATE A COMMA SEPARATED VALUE (CSV) FILE:




6. From ARC System Menu, select

**View Batches**



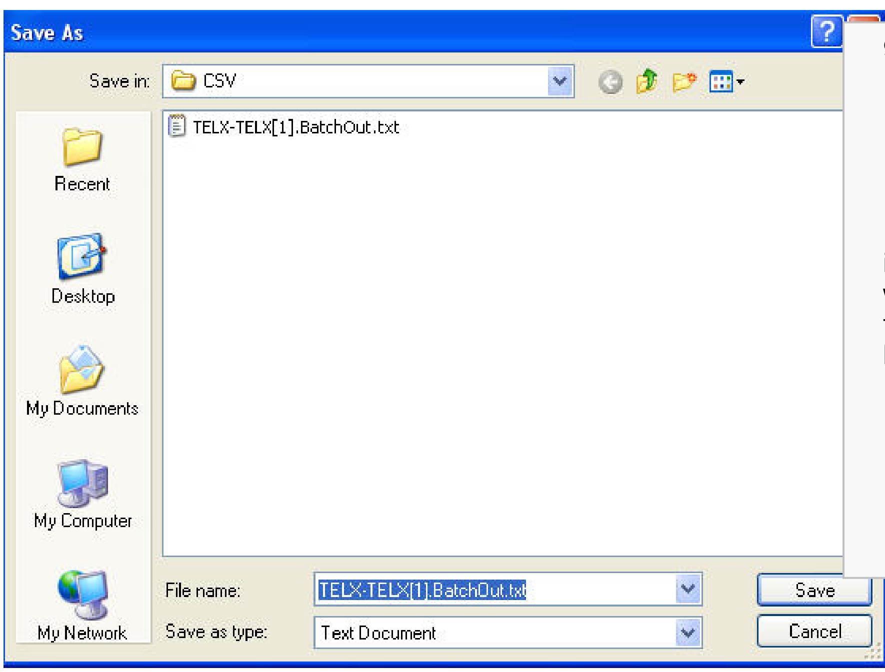

7. Select

**Download CSV File**




8. Select

   **Save**




9. Browse for location to Save file on your computer, select

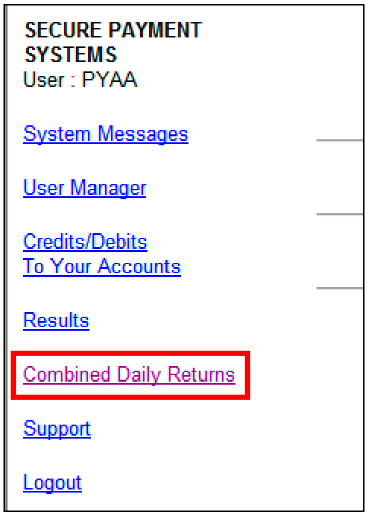
   **Save**

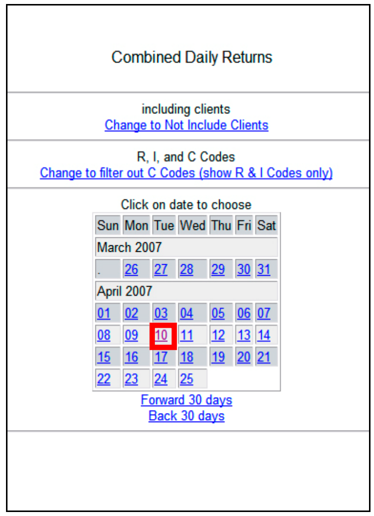
File is now ready to import to in-house system. The CSV file will automatically be named per the batch name of the specific batch of checks.

10. To rename this file, type the new filename into the file name field and select

    **Save**

## 11.2 COMBINED DAILY RETURNS ( RETURN CHECK DETAILS)

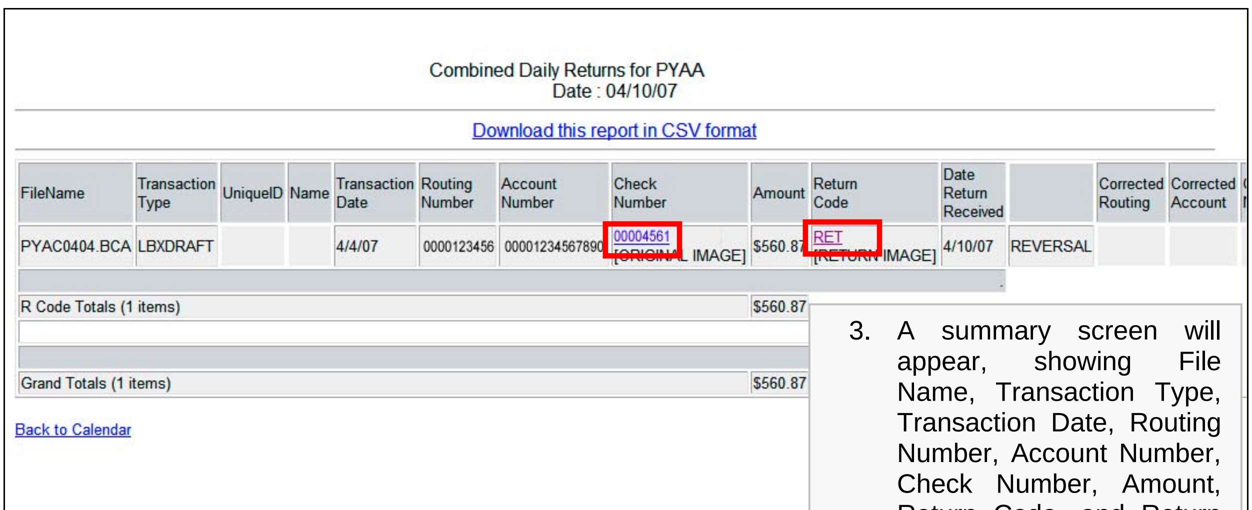



1. From the Main Menu, select

   **Combined Daily Returns**

2. Choose the date to see check return details




3. A summary screen will appear, showing File Name, Transaction Type, Transaction Date, Routing Number, Account Number, Check Number, Amount, Return Code, and Return Date.

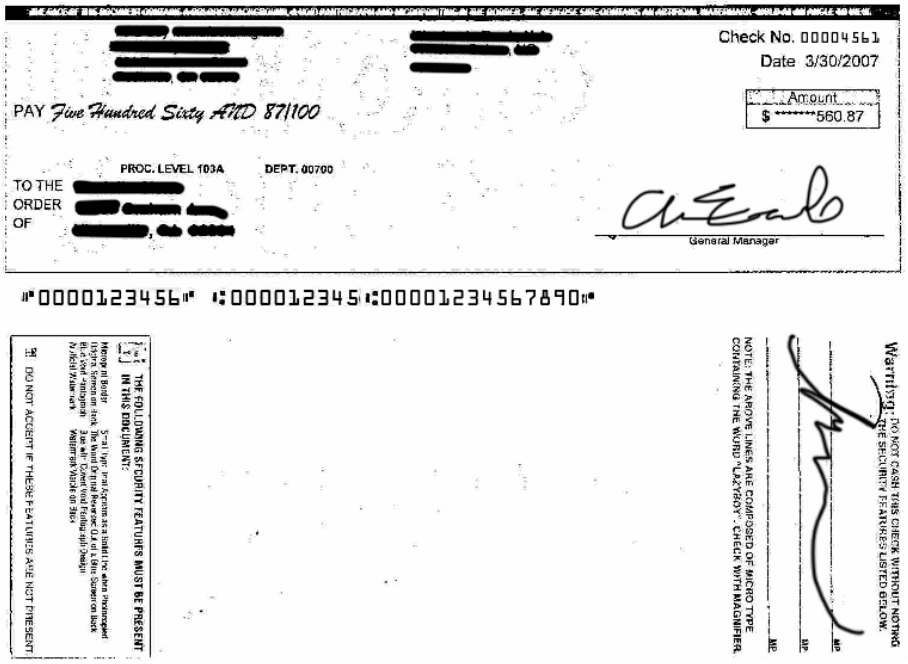
4. You can view the original check image (Front and Back) by clicking on the check number.

5. The returned check image and the reason for return can be viewed by clicking on RET

Use CTRL-P to print this page

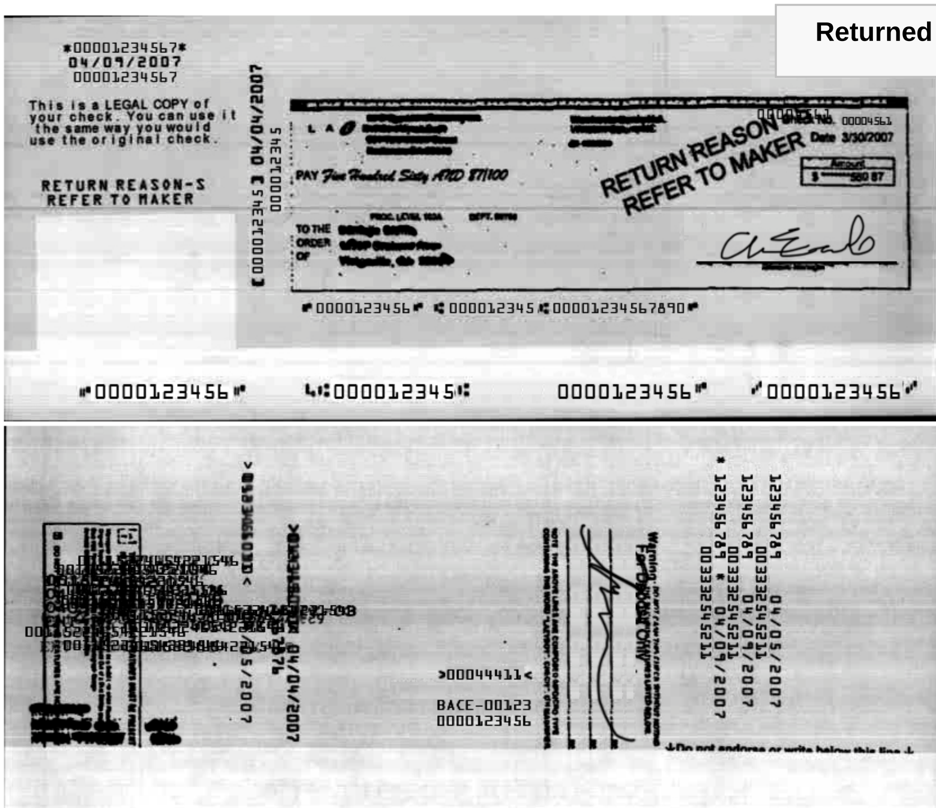
View Image(s) Full Size

**Original Check Image**




RESIZE

**Returned Check Image**



# 12. OPERATIONAL GUIDELINES

## 12.1 TIPS ON MANAGING THE CHECK SCANNING PROCESS

### 12.1.1 WHAT TO DO WITH THE CHECK AFTER IT'S BEEN SCANNED

Per banking regulations, after scanning and batching your checks, they must be either destroyed or otherwise marked to prevent them from re-entering the physical bank deposit process. This means that after 'Batching Out' (Section 6.0), you must either destroy the checks or imprint or stamp them. Most customers find that shredding the checks is an effective, sure method to destroy scanned/processed checks. Alternatively, you may also stamp or imprint the front all scanned/processed checks with a stamp containing the words 'Void', 'ACH processed', or Check 21 processed'. Please contact SPS Customer Service if you would like assistance with acquiring a stamp. Remember that after 'Batching Out', images of all scanned checks can be retrieved, viewed and printed if desired. See Section 6.0.

### 12.1.2 RULES AND REGULATIONS

The Rules are Regulations pertaining to the conversion of paper checks to electronic transactions are simple and well defined.

Remember; check conversion operates within two distinct environments:

- NACHA's Accounts Receivable Conversion (A.R.C.) Program
- Federal Check 21 Program

NACHA's A.R.C. Program Rules and Regulations include the Following:

1. The program only permits the conversion of a CONSUMER or PERSONAL type check and small format business check (with no auxiliary on-us field). No other types of check may be converted under the A.R.C. program.
2. Only Consumer or Personal type checks that are received by the biller or merchant via mail, messenger or a 'drop-box' are eligible for conversion.
3. Consumers must be provided with NOTIFICATION that their check is subject to being converted to an electronic transaction.
4. Consumers must be afforded an 'Opt-Out' option if they do not wish to have their personal check converted.
5. The check must be destroyed no later than 14 calendar days after it has been scanned or converted to an electronic transaction.

### 12.1.3 SCANNER OPERATIONS & MAINTENANCE

While not required to process checks for deposit, it is possible to enter additional data for a specific check payment.

# APPENDIX B BANKING RULES

## 12.2 EXAMPLE NOTIFICATION LANGUAGE

### 12.2.1 REQUIREMENTS NECESSARY TO ELECTRONICALLY RE-PRESENT RETURNED ITEMS OR TO ELECTRONICALLY RECOVER A STATE ALLOWED NSF FEE:

The banking rules require that the consumer be provided with NOTIFICATION that any of their returned payments are subject to electronic re-presentment. The following language will fulfill this requirement, and can be added to the above language if the Merchant or Biller is going to electronically re-present returned items:

"In the unlikely event your check (payment) is returned unpaid, we may elect to electronically (or by paper draft) re-present your check (payment) up to two more times."

In the event that the Merchant or Biller also wishes to electronically recover a state allowed NSF fee, the banking rules require that some form of authorization be secured from the consumer. This authorization may take a variety of forms, depending on the particulars of how the Merchant or Biller engages their customers. At a minimum, the following will fulfill this requirement. Please call SPS Customer Service to discuss further details.

"You also understand and agree that we may collect a return processing charge by the same means, in an amount not to exceed that as permitted by state law."

### 12.2.2 REQUIREMENTS NECESSARY TO CONVERT CONSUMER CHECKS TO ELECTRONIC NACHA – ARC ITEMS:

NACHA's ARC program is a very effective payment processing system, requiring that everyone follow some simple rules. The primary rules are (1) that a Consumer be provided with NOTIFICATION that their personal/consumer check is going to be converted (a definitive statement, not an 'if' or 'may') and (2) an OPT-OUT provision, if the Consumer does NOT want their personal/consumer check converted. Therefore, if the following language is incorporated in the Merchant or Biller's invoices, these requirements will be met.

"Payments received by check will be electronically deposited, unless you pay by non-consumer type check. You may opt out of this conversion program by paying with a money order or a travelers check."

The Merchant or Biller should note that all non-consumer type checks will be processed as Check 21 IRD's (as a Check 21 type item), which requires NO Consumer notification or opt-out provisions whatsoever.

# APPENDIX C NACHA RULES AND REGULATIONS

## 12.3 NACHA RULES AND REGULATIONS

Below are the network participants as they are identified in the ACH Rules along with a brief description of their role:

**Originator** agrees to initiate ACH entries into the payment system according to an arrangement with the Receiver.

**Originating Depository Financial Institution (ODFI)** receives payment instructions from Originators and forwards the entries to the ACH Operator.

**ACH Operator** is the central clearing facility operated by the Federal Reserve Bank or Electronic Payments Network on behalf of the DFIs, to or from which Participating DFIs transmit or receive ACH entries.

**Receiving Depository Financial Institution (RDFI)** receives ACH entries from the ACH Operator and posts the entries to the accounts of its depositors (Receivers).

**Receiver** is a natural person or an organization that has authorized an Originator to initiate an ACH entry to the receiver's account with the RDFI.

**Third-Party Processor** which processes ACH files and/or items on behalf of one for the participants in the ACH Network.

**Third-Party Sender** authorizes an ODFI to transmit debits or credits to the account of a Receiver but which is not an Originator. In these situations the Third-party Sender acts as an intermediary between the Originator and the ODFI and there is no contractual agreement between them.

## APPENDIX D ACH FLOW

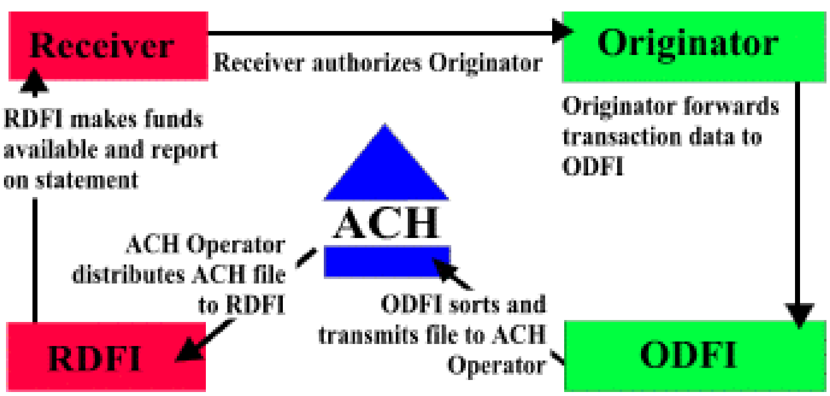
The Originator provides notification to a Receiver or obtains authorization from a Receiver to initiate ACH transactions to a Receiver's account.

The Originator initiates a NACHA formatted file of transactions and presents the file to its Originating Depository Financial Institution (ODFI).

The ODFI collects ACH transactions from participating Originators, verifies the validity of the files and consolidates the files into one file to transmit to the ACH Operator. The ODFI may retain entries for its own account holders.

The ACH Operator receives files from ODFIs, edits the files to make sure they are formatted properly and distributes files/transactions to the Receiving Depository Financial Institution (RDFI).

The RDFI receives the files of entries from the ACH Operator for its customers. Entries are posted based upon the settlement date and account number. Periodic statements are provided to the Receiver with descriptive information about the ACH entry.



# APPENDIX F ACH RULES ENFORCEMENT

An amendment to the ACH Rules was approved in 1998 to establish a formal process for the documentation and investigation of alleged violations of the rule. The objective of the rules enforcement process is to maintain the continued quality of ACH services and ensure compliance with the provision of the ACH Rules.

Any Participant in the ACH Network may complete a Report of Possible Rules Violation for any alleged violations. A party to the transaction is ninety (90) days from the occurrence of the rules violation(s) being asserted to submit a report. The Report of Possible Rules Violations must include copies of supporting documentation necessary to support the claim of the rules violation and be signed by an officer.

Upon receipt of a Report of Possible Rules Violation NACHA will review the report and supporting documentation. If it is determined that a rules violation may have taken place, a Notice of Possible Rules Violation will be sent to the ACH Manager at the financial institution against which the Report was filed. The financial institution that receives the Report will have 15 banking days to respond. The response must either 1) acknowledge the violation and state when the problem will be corrected, or 2) refute the allegation and attach supporting documentation.

If no response is received in 15 banking days of a Notice of Possible Rules Violations, a Notice of Possible Fine will be sent to the ACH Manager and the CEO at the financial institution against which the Report was filed. The financial institution will have 10 banking days to respond. The response must either 1) acknowledge the violations and state when the problem can be corrected, or 2) refute the allegation and attach supporting documentation.

If no response is received (willful disregard) or recurrence of the same problem occurs within a one-year period, fines may be assessed. Fines range from $250 up to $10,000.